FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

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No. 27,938 Friday August 10 1979

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 4.25; FRANCE Fr 3.5; GERMANY DM 2.0; ITALY L 700; NETHERLANDS Fl 2.0; NORWAY Kr 4.25; PORTUGAL Esc 35; SPAIN Pts 60; SWEDEN Kr 3.75; SWITZERLAND Fr 2.0; EIRE 20p

NEWS SUMMARY

GENERAL

Troops fire at Belfast rioters

Houses were burnt, cars and vans hijacked and barricades built in West Belfast yesterday on the eighth anniversary of the introduction of internment without trial in the province.

Police and troops were shot at and fired back with live ammunition and rubber bullets. Parents were warned to keep teenagers off the streets and 6,000 troops and police were placed on alert.

The alert will last for the next few days. The tenth anniversary of the arrival of British troops in Ulster and the annual Apprentice Boys' parade both fall in that period.

Page 3

Health rebels

A second London area health authority is contesting spending cuts ordered in its services. Ealing, Hammersmith and Hounslow officials have agreed to make £1m cuts, but want to defer the remaining £3m to 1981. Page 6

Yachts capsize

Several yachts capsized in mountainous seas off the Kent and Devon coasts and holiday camp sites were flooded in Wales as storms swept across much of Britain. Winds gusted up to 70 mph.

Star warning

Express Newspapers chairman Victor Matthews said he would not invest further in the group's Daily Star tabloid while there was no agreement to print in London as well as Manchester. Page 6

Empty chair

For the second successive year, no poet was elected to the Bardic Chair at the Royal National Eisteddfod in Caernarvon because none of the 13 entries was thought worthy of the honour.

Concorde chaos

British Airways' Concorde services were badly disrupted when four of the airline's five supersonic aircraft were grounded with minor and unrelated technical faults. Passengers were transferred to other flights.

Costly voyage

Three Hong Kong businessmen who arranged for 3,000 Vietnamese refugees to come to the colony on the freighter Huey Fong were each jailed for seven years and fined $10,000 for bringing in illegal immigrants. The ship's captain was jailed for six years.

Homes destroyed

Troops dynamited houses and other buildings standing on the edge of a huge canyon caused by a landslide in Abbotsford, a suburb of Dunedin, New Zealand. More than 400 people were evacuated and 53 homes destroyed.

ITV hopes fade

Hopes of an early settlement of the dispute which has blacked out independent television screens diminished after the Advisory, Conciliation and Arbitration Service said it saw no purpose in holding further talks with both sides. Back Page

Briefly . . .

Foundry worker Wolfgang Rahl was jailed for three years in West Berlin for trying to re-establish the Nazi Party.

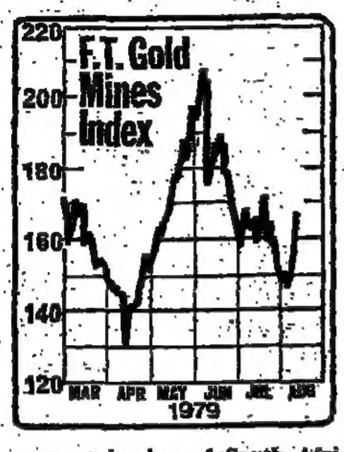
Conservative-controlled Brighton Council voted in favour of setting aside a beach for nudists in the resort.

Johannesburg woman of 20 will become stepmother to her mother when she marries her step-grandfather today.

BUSINESS

Gold rise continues; Equities off 6.3

● GOLD gained a further $5 in London to close at $296¼—a rise of $14¼ since Monday. This encouraged renewed London and



overseas buying of South African Golds, which left the Gold Mines Index 8.4 higher at 166.3—a two-day gain of 16.5. In New York, the Comex August settlement was $299.80 ($293.90).

● EQUITIES eased and the FT 30-share index closed 6.3 down at 467.4.

● GILTS faltered ahead of next week's money supply figures, and gains of ¾ were cut to ¼. The Government Securities index closed 0.41 up at 73.96.

● STERLING improved 2 cents to close at $2.2355, and its trade weighted index rose to 71.1 (70.6). DOLLAR fell on rising U.S. wholesale prices, and its index dropped to 84.4 (86.6).

● SYDNEY: All Ordinaries index closed 6.09 higher at 605.11, a new high for the year.

● WALL STREET closed 4.88 down at 858.28.

● U.S. MONEY SUPPLY: M1 rose to $372.3bn ($371.1bn); M2 rose to $914.5bn ($913.9bn).

● BANK MELLI, Iran's biggest bank, reports an "unprecedented" Rials 204bn (£1.3bn) rise in deposits in the five months since the revolution. Page 4

● BRITISH STEEL Corporation is likely to continue importing high quality coking coal for its new Redcar works on Teesside in spite of National Coal Board efforts to produce a substitute. Back Page.

● WEST GERMAN Government is being urged by a number of Christian Democrat politicians to step up its imports of coal to cope with its coal-gasification and liquefaction plans for the 1980s. Page 4

● CHEMICALS manufacturers face a gloomy year according to the Chemical Industries Association. It forecasts output no more than 1 per cent up on 1978, falling demand, fuel shortages and greater U.S. competition. Back Page.

● WAGES COUNCIL has fixed new minimum weekly rates of £50 for adult non-service workers in licensed hotels and restaurants and £41.20 for service workers. Minimum rates will be £4 higher in London. Page 6

COMPANIES

● GEC managing director Sir Arnold Weinstock said the group was in "a far stronger position to withstand setbacks and to take advantage of new opportunities in the 1980s than we were in 1970." Page 14 and Lex.

● REDMAN HEENAN International increased its cash bid for Wellman Engineering Corporation by 5p to 70p per share. Page 16.

● AUTOMOTIVE PRODUCTS, the vehicle and aircraft equipment concern, reports pre-tax profits 6.3 per cent ahead at £7.88m for the first half of 1979. Page 14 and Lex.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas. 11¾pc 2003-07 (£15 pd.)	£15¾	+ ¼
AGB Research	174	+ 6
Allen Harvey Ross	375	+ 10
Automotive Prods.	86½	+ 4½
Barclays Bank	445	+ 8
Barlow Rand	253	+ 9
Brown and Jackson	273	+ 8
Carlton Inds.	260	+ 10
Chubb	133	+ 5
Dixon (D.)	170	+ 4
Fogarty (E.)	324	+ 9
Hambros Bank	317	+ 7
Harris Queensway	368	+ 12
IDC	136	+ 7
Radiant Metal	46	+ 4
SA Breweries	71	+ 5
Anglo American	346	+ 14
Blyvoor	318	+ 24
Impala Platinum	163	+ 11
Kamunting	75	+ 5
Kloof Gold	654	+ 53
Northgate Explor.	350	+ 20
Southern Kinta	195	+ 10
Vaal Reefs	£16¼	+ 1
Westfield Minerals	215	+ 22

FALLS		
Averys	246	− 7
Bibby (J.)	445	− 10
Distillers	236	− 4
Grand Metropolitan	149	− 4
GUS A	414	− 6
Heath (C. E.)	191	− 7
Highland Distills.	94	− 4
ICI	335	− 7
Minet	124	− 7
Smith (David S.)	75	− 3
Stylo Shoes	204	− 11
Trusthouse Forte	142	− 7
Unilever	508	− 12
Woodhead (Jonas)	100	− 5
Tricentrol	223	− 9

All Chrysler UK car output may halt next week

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

All car production by Chrysler UK is likely to be halted by the effects of strike action from the middle of next week.

The company, which now sells its makes under the Talbot name after being taken over by Peugeot-Citroen, said last night that there would have to be extensive lay-offs among the 7,000-strong workforce at Linwood, Scotland, by next Wednesday.

Linwood, which assembles the Avenger and Sunbeam models, depends for engines and other components on the Stoke factory, Coventry, where a strike by 3,500 production workers is now into its fifth week.

The 2,000 workers at the nearby Ryton factory, Coventry, which produces the Alpine, walked out seven weeks ago.

Both Coventry plants are protesting at the company's offer of a 5½ per cent pay increase. Chrysler UK insists that it cannot afford a high award as a loss of £30m is already forecast for this financial year.

The company has refused to budge from the 5½ per cent limit but insists that a proposed incentive scheme could yield an extra £5 or more a week.

Talks with the unions broke down several weeks ago, and both sides appear prepared for a lengthy confrontation in what is becoming an increasingly bitter dispute.

Feelings are running high among strike leaders at the Ryton plant, where there have been stormy scenes on the picket lines as workers have tried to prevent staff from entering.

The company warned employees before the strike that action would almost certainly mark the start of a rundown in the company's size.

The Linwood plant has had the most troubled industrial relations over recent years, but the management believes it is close to agreement with the unions there.

The Scottish workers have been offered more as part of a long-standing company commitment to achieve pay parity with employees in Coventry.

Negotiations are also making good progress at the Dunstable, Beds, truck plant where employees benefit from the parity programme.

Dunstable also takes components from Stoke, but the company said last night that its stocks were sufficient to avoid any disruption to production for the next few weeks.

● Clerical workers at Ryton voted yesterday not to cross the picket lines outside the plant. The decision was taken by an impromptu factory gate meeting of members of the Association of Scientific, Technical and Management Staffs, the largest staff union involved. It followed a call by angry strike leaders for a massive picket by the 2,000 strikers for this morning after staff had crossed the picket lines on Wednesday.

Mr. John Fisher, ASTMS divisional organiser, said: "Our members bitterly resent being the meat in the sandwich.

"The company has told them that they will not be paid if they do not go in to work. They want to work but do not want to cross the picket lines. The company is trying to use them to break the strike."

Government borrowing up 54% on last year

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

CENTRAL GOVERNMENT borrowing in the first four months of the financial year was well above the level of a year ago.

But the Budget measures have not yet worked through to affect revenue or expenditure.

The Treasury announced yesterday that borrowing was £3.88bn between April and June, compared with £2.52bn in the corresponding period of 1978. This was an increase of 54.2 per cent, against the Budget projection of an 18 per cent rise for 1979-80 as a whole.

The high level of borrowing has led to the sale of a large amount of gilt-edged stock in recent months in order to offset any expansionary influence on the money supply.

Although value-added tax was raised to 15 per cent in mid-June, receipts come in three months in arrears. The first stage of the income-tax rebates will not affect borrowing until this month.

The official hope is that public spending cuts will start to bite by late summer. Coupled with higher indirect taxes, this will offset the reduction in income-tax and produce a lower level of borrowing from the autumn.

City analysts are taking a cautious view of these hopes. The figures so far provide no real guide. They had little affect on the gilt-edged market yesterday.

Late profit-taking reduced early gains of ¾ in longer-dated stock to half a point by the close. The FT Government Securities index is now 2.4 per cent higher than at the end of last month.

The former long tap — 11¾ per cent Treasury 2003-07 — rose to £16¼ at one stage yesterday. This compared with the price of £15½, at which it was sold out on Wednesday. The stock closed only fractionally higher at £15¾.

The latest figures show that central Government borrowing was £46m last month, compared with a surplus of £143m last year. July is traditionally a good month for revenue as a result of quarterly VAT payments. These were boosted last month by the buoyant level of retail sales in the spring.

So far this year, revenue has risen by roughly 15 per cent, compared with the Budget forecast of an 18 per cent increase for the year as a whole. Expenditure has been 15 per cent higher during the period. This is broadly in line with the expected rise for the whole year, though it is slightly misleading at a time of accelerating inflation.

The main change compared with last year has been in lending to the rest of the public sector, mainly via the National Loans Fund. In the first four months of 1979-80, net lending was £770m more than last year, when the figures reflected repayments of £295m by the National Enterprise Board.

Lex Back Page
Two brokers who dominate gilts market Page 5

CENTRAL GOVERNMENT FINANCES

Borrowing (−) or Surplus (+) £m	1979-80	1978-79
April	−1,334	−446
May	−1,499	−1,715
June	−1,000	−498
July	−46	+143
Total to date	−3,879	−2,516
Total for whole of year*	−9,564	−8,101

* Estimated outcome for 1978-79 and Budget forecast for 1979-80. Source: Treasury.

Tricentrol buys out royalty deal

BY RAY DAFTER, ENERGY EDITOR

TRICENTROL IS to pay the Government almost £20m in order to be released from special royalty payments on oil produced from the North Sea Thistle Field.

The UK-based group was to provide the Government with a minimum of 5 per cent of its share of Thistle production—either as oil or in cash—in return for the State backing a £60m loan taken out in 1976. The first payment would have been due in January.

The special royalty, which would have been in addition to the normal 12.5 per cent royalty payments, was a feature of a unique North Sea financing deal which helped Tricentrol to pay its share of Thistle's £800m development costs.

It was one of several financing arrangements used by companies to help fund the installation of production equipment in several offshore fields during the uncertain early years of oil development.

In Tricentrol's case, the company signed an agreement with a banking syndicate for a £60m revolving loan facility. The amount outstanding and rolled-up interest, calculated periodically, were secured by a Department of Energy guarantee.

The Department of Energy said last night: "There is no risk that the amount received will be less than the net present

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For latest Share Index phone 01-246 8026

Germany faces 5% inflation

By Jonathan Carr in Bonn

THE WEST GERMAN cost of living rose in July by 4.6 per cent against the same month last year—a year on year rise not equalled since the summer of 1976. The 5 per cent mark appears certain to be passed in the coming months.

Although some one-off factors are partly responsible for the rise, particularly sharp by West German standards, the development will mean trouble both for the Government and the trade unions in the autumn.

Not only is the Bonn coalition under growing Opposition pressure to agree to tax cut next year to help reconcile unions to moderate wage settlements, but union leadership faces demands from rank and file both for an interim bonus due to current price increases and for substantial wages agreements in the winter.

So far the Government argument that oil price increases are largely responsible for the cost of living rise—increases in dollar terms which this year the Germans can no longer offset with a particularly strong D-mark—has largely prevailed.

But now two other factors are contributing—the July introduction of a long-planned value-added tax rise, and the particularly low living cost increases last year with which the 1979 results are being compared.

The rise from June to July this year was 0.6 per cent whereas last summer and autumn living costs on a month-to-month basis were either stable or actually dropped.

The opposition feels it has a winner in its bid for tax cuts in 1980, on the grounds that it will be able to claim the credit if the proposals are accepted, while the Government will have to bear the unpopularity if they are not.

However, Dr. Otmar Emminger, president of the independent Bundesbank, has just given powerful support to

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France prepares package

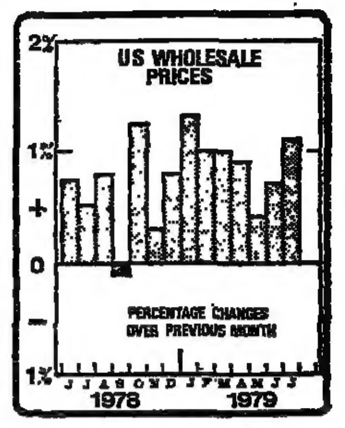
The French Government is preparing a series of measures aimed at offsetting the effects on the country's economy of an estimated FFr 18bn (£2bn) increase since last year in the country's oil bill. Back Page. Editorial comment Page 12

Carter steps in as U.S. prices surge

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT Jimmy Carter is to step more directly into the anti-inflation fight amid indications yesterday that a still higher rate of price rises may be on the way.

A fresh surge in petrol and heating oil prices helped to push wholesale prices in July up 1.1 per cent, the largest monthly increase since February, it was announced.



Consumers

Last month's increase, amounting to 14 per cent at a compound annual rate, casts doubt on Administration predictions that price rises had peaked in the first half of 1979. Then, consumer or retail prices rose at an annual 13.2 per cent.

Wholesale food prices in July showed no change, having fallen in the previous three months at an annual rate of 17.3 per cent. But consumers have not benefited at the retail level from this drop.

President Carter has summoned representatives of the food and meat processing industry to the White House next Monday to complain about increases in sales margins.

Mr. Richard Lyng, President of the American Meat Institute, called the White House "jawboning" session a political move by the President. It certainly is that, though Administration economists also regard the food sector as the most susceptible to Government pressure. The two other major components of the U.S. inflation rate—energy and house prices — are considered less controllable.

Wholesale petrol and home heating oil prices rose last month by 3.9 and 9 per cent respectively. Mr. Alfred Kahn, the President's inflation adviser, said this week that refiners might be as guilty as food processors of unjustifiably increasing their profit margins.

Next Monday's meeting will be the first time that President Carter has resorted to the kind of political arm-twisting other Presidents have used to get sectors of industry to restrain prices. Previously, he has largely confined himself to contacting individual companies and trade unions that have breached, or threatened to breach, his voluntary pay and price standards.

Recession

The Administration hopes to gain some relief on inflation as the economy continues on into recession. But it is believed that a real reduction in the inflation rate may come only if the recession is longer and deeper than Mr. Carter would find politically acceptable in the 1980 election year.

Dollar under pressure

BY PETER RIDDELL

The dollar yesterday came under pressure in the foreign exchange markets for the first time since the middle of last month in response to the U.S. wholesale prices figures.

The U.S. Federal Reserve and other central banks intervened during the afternoon but the dollar still closed down on the day.

It fell to DM 1.8235 from DM 1.8295 on Wednesday while its trade-weighted index, as calculated by the Bank of England, fell by 0.2 points to 84.4.

The weakness of the dollar boosted sterling which closed 2 cents higher at $2.2355.

The pound also recovered some of the ground lost earlier in the week against the main Continental currencies, rising from DM 4.05¼ to DM 4.08, compared with the high of DM 4.24¼ at the beginning of last week. The trade-weighted index rose by 0.5 points to 71.1, compared with a high of 74.0 a fortnight ago.

Money markets Page 17

£ in New York

—	Aug. 9	Previous
Spot	$2.2380-2390	$2.2255-2270
1 month	0.65-0.60 dis	0.77-0.72 dis
3 months	1.76-1.71 dis	1.97-1.92 dis
12 months	5.20-5.05 dis	5.60-5.55 dis

EUROPEAN NEWS

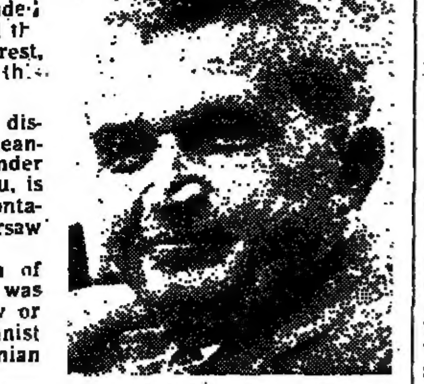
Bucharest liberation row fuels dispute in Warsaw Pact

BY LESLIE COLITT IN BERLIN

WARSAW PACT countries *closely tied to the Soviet Union* are engaged in a running Press battle with independent-minded Romania over who liberated the Romanian capital. Bucharest, from the Nazis 35 years ago this month.

This seemingly obscure dispute has taken on new meaning, now that Romania, under President Nicolae Ceausescu, is involved in a serious confrontation with the other six Warsaw Pact countries.

At issue is the question of whether Bucharest was liberated by the Red Army or by the Romanian Communist Party and units of the Romanian Army.



President Nicolae Ceausescu

As is often the case, East *Germany speaks for the Soviet* Union in such a debate. Yesterday's issue of the East German Communist newspaper Neues Deutschland reminds its readers of the latest instalment of a Russian documentary film on the war being shown on East German television. It deals with how the "Soviet Army brought freedom to South Eastern Europe."

The newspaper says that after the Romanian uprising started in Bucharest on August 23, 1944, "Soviet troops moved into the capital." The *film, it notes, shows the "scenes of joy* and enthusiasm surrounding the Soviet soldiers in those August days."

But Romania is not letting the matter rest there. A leading political publication is running a series of articles on what took place in 1944. The Soviet Union's contribution to driving the Germans out of Romania is given only brief mention.

German military and civilian "technical advisers" entered Romania in June 1940, after General Ion Antonescu *took* over dictatorial powers and restored King Michael I to the throne. The country remained virtually occupied by the Nazis *until the liberation.*

A general who commanded a Romanian Army cavalry unit says the cavalry saved Bucharest from being re-invaded by *surrounding German troops.*

Irish sea oil find 'not commercial'

By Stewart Dalby, Dublin Correspondent

CHEVRON OIL has found traces of hydrocarbons in test drilling of one of its wells off western Ireland. But it is understood that the results do not indicate commercial possibilities. A statement from the company is expected.

Chevron, whose partners are ICI and Bula Oil, a privately-owned Irish company, has been drilling the well, 150 miles west of Shannon, since May 15.

The well, which is Chevron's first in the area, is in Block 35/11 in the Porcupine Trough and is about 70 miles south-west of Block 35/8. That is where Phillips made a small strike last October. Its well tested at 730 *barrels a day. Although deemed* non-commercial by Phillips, it was the first encouraging oil strike in a 20-year search

Interest will now centre on the remaining tests due this year, particularly on those in the Porcupine area. Four wells are probable, two are definite. BP is drilling on Block 26/28, about 180 miles west of Galway. Gulf Oil is getting ready for a test drill in the autumn on Block 26/21 about 190 miles west of Galway.

Elsewhere, Amoco is drilling *about 40 miles north-west of* Donegal on Block 12/13. Marathon is drilling some 50 miles south of Youghal on Block 49/17 off south-east Ireland.

Ireland imports 80 per cent of its energy at present. It has little coal, little peat, and, apart from a small offshore gas field, almost no other indigenous *source of energy.*

Cossiga spells out the priorities for Italy

BY PAUL BETTS IN ROME

ENERGY problems, measures to halt inflation and preserve the competitiveness of industry, and law and order are to be the priorities of the new Italian Government.

But opening the confidence debate in Parliament on his administration yesterday, Sig. Francesco Cossiga, the Christian Democrat Prime Minister, acknowledged the "political limits" of his Government.

His administration, ending *the country's longest govern*ment crisis in 30 years, aims principally to provide a working government at least until the bitter divisions between and within the political parties are healed and a more stable solution is found.

The confidence vote this weekend is expected to be a formality. The Christian Democrats, Liberals and Social Democrats, all directly represented in the government, will vote in favour. The Socialists, who hold the parliamentary balance, say they will abstain.

Sig. Cossiga has not presented a Government programme in the traditional sense, but rather a broad declaration of intentions.

He said the Government would seek to strengthen and reform the police and security forces to combat terrorism more effectively.

On economic matters, Sig. Cossiga intended to continue the broad lines of the three-year recovery programme drawn up last year by Sig. Filippo Maria Pandolfi, the Treasury Minister. This is designed to lay the basis for stable growth and to tackle fundamental distortions in the economy.

However, he would wait until the end of this year before *presenting the revised medium*-term programme since the original had to be updated in the light of economic developments.

The Prime Minister appealed for the collaboration of the unions to improve productivity and curb increasing labour costs.

He proposed to isolate the sharp rise in energy and raw materials costs from Italy's cost-of-living index. In return, the Government would make some cuts in direct taxation. But in view of the voracious demands of public spending, it would be necessary to increase fiscal revenue, in particular by measures to halt tax evasion.

Later this year, the Government would organise a conference *on nuclear energy*, but he warned that unless a nuclear programme was launched soon, the country would face enormous difficulties.

● Sig. Cossiga (right) and his newly formed Cabinet

Dutch unions to co-ordinate wage demands

BY CHARLES BATCHELOR IN AMSTERDAM

THE LARGEST union federation in the Netherlands hopes to draw up a uniform programme of demands in time for *the 1980 wage round which* starts in November.

Failure to adopt a common approach earlier this year meant individual unions were unable *to achieve their aim of a shorter* working week. This led to recriminations within the federation.

It hopes that closer consultation with its members will facilitate agreement on a joint programme, and wants to speed up wage negotiations. Some sectors have still not settled a contract *for this year.*

The Federatie Nederlandse Vakbeweging, representing 1.1m members from Socialist and Catholic industry-based *unions, intends, along with its* co-ordinated action strategy, to make a 10 per cent reduction in working hours over the next four years its main target in the next wage round, said Mr. Wim Spit, the vice-chairman.

● Production levels in Dutch industry recovered during the second quarter of this year after declining in the preceding three months due to the severe winter.

The seasonally adjusted index for the manufacturing, minerals and *gas* industries rose to a provisional level of 131 (1970=100) from 129 in the first quarter.

More normal levels of activity were restored in the minerals industry and the public utilities—particularly high in the first quarter—and in the building industry, which had been very low. Production *in the metals* and foodstuffs sectors was depressed, although oil and chemicals were much more active.

The bad winter also caused a sharp drop in investment in the first quarter. Gross investments in fixed assets fell 27.5 per cent compared with the first quarter of last year.

Profits fall in third of Spain's big companies

By Robert Graham in Madrid

ONE-THIRD of the *major* Spanish companies saw their profits fall last year, according to a study just prepared by the Review Fomento de la Produccion. Of 180 companies and banks analysed 66 had lower profits or sustained losses.

There were, according to the study, 23 loss-making concerns —*primarily* operating in steel, cars and trucks, large-scale retailing and paper. The average *return on* capital was 6 per cent, only just over a third of the rate *of inflation.* In no sector analysed did the return on capital keep pace with last year's 16-17 per cent inflation.

The most profitable sectors were *cement, banking and food*stuffs. Spain is the world's largest exporter of cement and last year showed a 49 per cent increase in export earnings to *$350m. Here the return on capi*tal was 14.6 per cent and the industry continues to be one of the few to attract domestic investment.

The other profitable sector was banking, with a 13.6 per cent return on capital. Despite difficulties in some of the small and industrial banks this sector remains one of the most privileged in the country.

About half the total profits in the 180 concerns studied came from 48 banks. Many of the 48 banks were frequently significant shareholders in, and suppliers of, credit to troubled sectors such as steel, shipbuilding and the paper industry.

In contrast, companies operating in the insurance sector, poorly developed in Spain and hamstrung by antiquated regulations, saw a return on capital of only 2 per cent.

A particular feature of the Spanish economy is the importance of the 13 mainly privately owned utility companies. They account for just under 40 per cent of total profits in the survey sample.

The principal private shareholders in these utilities are banks, and the 48 banks and these utilities accounted for 87 per cent of gross profit in the group studied. The position of the utilities has been left virtually untouched in the recently approved National Energy Plan, despite pressure from the parliamentary Opposition.

The decline in profitability has resulted from a combination of the increased cost of credit, drop in domestic demand, higher wages and the need to set aside greater provisions for reserves. The companies doing best in the current recession have been those able to turn more to exports, or alternatively those with protected positions such as the banks.

Because of the continued *recession and the failure of the* Government and the financial community to press ahead with plans for restructuring the credit system, company results in 1979 are expected to be worse, with more loss makers and an overall downward trend in profitability.

Bonn and oil concerns at odds over profit figures

BY ROGER BOYES IN BONN

WEST GERMAN oil companies, anxious to justify their latest petrol price rises, are at odds with the Government over how they should present their profit figures.

The oil majors have come in for considerable criticism from government bodies; trade unionists and consumer associations. The *Federal Cartel* Office has also held talks with the companies about last month's price rise — which pushed petrol well above the *DM 1 per litre level*—and expressed scepticism that it was fully justified.

In a bid to stave off some of this criticism, the oil companies *have been publishing regular* and detailed figures on their own account. But they have also urged the Economics Ministry to release a quarterly *review of the crude oil import* prices faced by the companies as well as the turnover and profits.

This, they believe, would give more credibility to their claim, demonstrated again yesterday in Deutsche Shell's first half results, that they are making less than one pfennig (100 pfennigs=1DM) profit on a litre of petrol.

Count Otto Lambsdorff, the Economics Minister, is now reported, however, to have *resisted issuing regular govern*ment figures on the profits of the oil companies, no matter how reassuring this might be for the consumer. The danger is that the *Government might become too* closely identified with the companies and that the figures would be seen as a seal of approval on their profits.

The oil companies are dissatisfied with this. They have pointed out that some of the social consequences of the price rises — the pressure, for example, from grassroots union members for an "oil" supplement on their wages—could be avoided, if the Government helped explain the reasons for the rises.

Athens police break up union march

By N. J. Michaelson and David Tonge in Athens

HUNDREDS OF baton-wielding policemen last night broke up attempts by unionists to march on Athens University. The union rally had earlier been banned by the authorities.

The ban is the second to be imposed recently and comes after the Government broke a strike of bank clerks by subjecting some of them to military regulations.

The unions planning yesterday's rally represent workers in *the banks and public utilities.* They were supported by university students and by Mr. Andreas Papandreou, head of the opposition Socialist Party. He described the ban as anti-constitutional.

The unions are objecting to, and in some *cases* refusing to obey, a Government order that working *hours should* be staggered. The order was designed to reduce traffic congestion and fuel consumption. It led to storms of protest, after being introduced with little consultation.

The unions are also protesting against wage increases being limited to between 10 and 15 per cent.

Portuguese alliance threatened

By Jimmy Burns in Lisbon

PORTUGAL'S recently formed centre-right alliance could fall apart because of differences over electoral strategy.

Dr. Francisco Sa Carneiro, Professor Diogo Freitas do Amaral, and Dr. Gonzalo Ribeiro Telles of the Social Democrat Party, the Christian Democrat Party, and the Popular Monarchist Party have announced an "emergency summit" for today in an attempt to prevent a final split.

The Christian Democrats and the Monarchists, minority parties within the alliance, have attacked the decision of local Social Democrat campaign officials to fight the autumn election with separate lists. Both the Christian Democrats and the Monarchists argue that the credibility of the alliance will be severely damaged unless a common *strategy* is agreed.

The alliance was formed last month around a broad set of principles which left detailed strategy unresolved. The three leaders agreed to bury past rivalries and offer the country a "radical alternative"

Giscard rounds on alcoholism

BY DAVID WHITE IN PARIS

"THE MOST important and the most preoccupying of society's scourges."

What the French Cabinet had to say this week about alcohol would be music to Ayatollah Khomeini's ears — that is, if the Ayatollah did not hold similar views about music.

President Valery Giscard d'Estaing has requested a 10-year programme to combat alcoholism, to be drawn up by next *summer.*

In a country whose inhabitants can claim to absorb more pure alcohol per head than anybody else, plans to attack the problem are not new. But nothing has materialised in the two years since M. Giscard first broached the issue.

At this week's Cabinet meeting he heard M. Jaques Barrot, his new cost-cutting Minister of Health and Social Security, report on the persistence of alcoholism among Frenchmen, and increasingly among French *women,* and its "*human, social* and economic cost."

A working party is being set up under Professor Jean Bernard, a venerable Paris blood specialist and member of the French Academy.

In the meantime, the authorities plan simply to do more of what they are doing already: treating alcoholics, breathalysing motorists, mounting anti-excess campaigns and restricting advertising by drinks companies.

The French are reckoned to lead the world consumption table with an intake in 1975 of 16 litres of pure alcohol per man, woman and child. Apart from the Italians, there are, of course, no wine drinkers like them.

At least 4m people are reckoned to be "excessive drinkers" and 2m are confirmed alcoholics out of a total *population of almost 53m. The effects of alcohol are the third cause of death in France, after heart diseases and cancer.*

But the importance of wines *and spirits in the rural economy* makes the question of control a delicate one.

Wine-growers, concerned about the prospect of excess *production this year*, when the harvest is expected to be nearly 20 per cent higher than last year's at 70m hectolitres, are spared this additional worry until Prof. Bernard's team comes up with its package of measures in mid-1980.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing centres.

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Mobile missile basing plan put to Carter

BY DAVID BUCHAN IN WASHINGTON

THE U.S. Defence Department is reported to have put to President Carter its recommendation that the planned $30bn MX Mobile Missile system should be ferried around by launchers on sites in the states of Utah and Nevada.

President Carter is expected shortly to announce a final decision on the basing of the MX system, in good time to influence the Senate debate on the SALT II treaty with the Soviet Union. The expensive MX system, which is designed to make American land-based missiles less vulnerable to Soviet attack, is the one new system that the U.S. can build under the treaty.

Mr. Carter has already announced his intention to build the mobile MX missiles. But a firm decision on how it is to based may be necessary to sway some senators, disturbed by what they saw as the President's earlier prevarications on defence projects, such as the cancellation of the B-1 bomber and postponement of the neutron bomb.

The recommendation of Mr. Harold Brown, the Defence Secretary, and his department is that the 10-warhead MX missiles should be circulated around "racetracks" between hard silos. The Russians would thus find it difficult or impossible to target the missiles precisely. The Department considered other options to achieve the same end, such as running the MX up and down underground trenches, but these were discarded as too costly.

General David Jones, chairman of the Joint Chiefs of Staff, yesterday said that the Defence Department was also now reviewing defence needs in the light of the Senate debate on ratification of the SALT II treaty.

He believed that a 4 per cent real increase in defence spending was necessary in the new 1981 budget. This is slightly less than some senators have demanded as the price for ratifying SALT, though more than the Administration had originally planned. Gen. Jones said that inflation had pushed up defence costs drastically.

Speaking for the Joint Chiefs, the general said that in testifying to the Senate last month "we tried to shift the debate to the needs of defence and we believe we were quite successful." Their testimony, championed ably by Senator Sam Nunn, has changed the views of some Senate conservatives, who are now willing to endorse the treaty, provided it is accompanied by large increases in defence spending.

Gen. Jones scoffed, predictably, at claims by liberal Senators that the Defence Department could not use the extra money which it and conservative senators are demanding.

Concern over growth in heating oil stocks

BY DAVID LASCELLES IN NEW YORK

CONCERN is growing in Washington and in the petroleum industry about slow growth in stocks of distillates (the broad petroleum category which includes heating oil).

The Administration has set a target of 240m barrels by October. However, according to the latest statistics released by the American Petroleum Institute for the week ending August 3, stocks stood at 166.9m, compared with 180.8m at the same time last year.

Moreover, these stocks should be increasing at a rate of 7m barrels a week to achieve the target. In the week of the latest report, there was an increase of only 2m barrels.

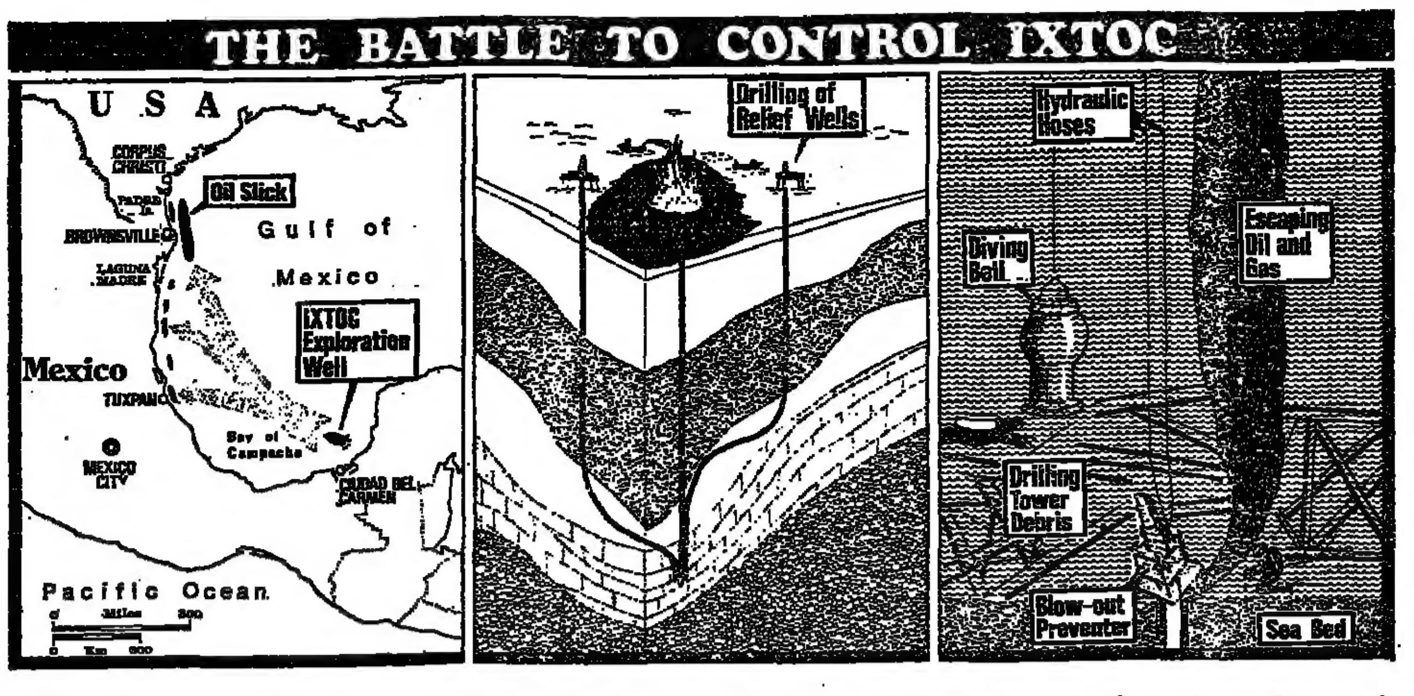
A House Subcommittee reported on Wednesday that many distributors around the country are behind on deliveries to households because of delays in supplies from the refiners. It concluded that the 240m target may not be reached.

A clearer idea of the state of heating oil supplies should emerge today when the National Oil Jobbers Council releases the results of the first survey undertaken of stocks in the hands of local distributors and household storage tanks. It will also draw comparisons with stocks this time last year.

ENERGY REVIEW: THE IXTOC OIL DISASTER

BY KEVIN DONE

Mexican blow-out on an epic scale



FOR MORE than two months a volatile mixture of crude oil and gas has been boiling to the surface of Mexico's Gulf of Campeche from the broken Ixtoc 1 well-head, 170 feet below on the seabed. The accident is fast becoming one of the world's biggest ever oil disasters, surpassing even the sinking of the Amoco Cadiz tanker in the English Channel last year.

The immediate effects of the blow-out are not as obvious as the tanker disaster, partly because the accident occurred about 58 miles from the nearest coast and partly because a significant proportion of the oil and gas is burning into the atmosphere as it reaches the surface of the sea. But crude oil is still gushing from the well at a rate of some 20,000 barrels or 700,000 gallons a day. Some of the oil is being retrieved from the sea near the scene of the blow-out, but inevitably much is still escaping and patches of the vast broken slicks which now cover hundreds of square miles, have been blown more than 500 miles across the Gulf of Mexico, finally fetching up this week on the beaches of southern Texas.

The Ixtoc blow-out is a timely reminder of the tremendous problems and uncertainties facing the oil industry as it pushes the search for additional reserves of oil and gas into new parts of the world's offshore sedimentary basins. According to Pemex (Petroleos Mexicanos), the Mexican State oil company, nearly 60 oil wells go out of control somewhere in the world each year, of which about 15 are located offshore. The North Sea, another of the world's major offshore basins to be explored in recent years, has so far witnessed only one major oil well blow-out—the accident on the Bravo platform of the Ekofisk Field in the Norwegian sector two years ago — but statistically further incidents are inevitable.

With luck such blow-outs can often be controlled within a few days—the Ekofisk well was sealed after eight days and the jet of oil and gas never caught fire. But Ixtoc 1 is showing the darker side of the oil industry's experience.

Oil and gas have now been spewing from the well for 68 days since it first went out of control on June 3. It has defied the efforts of the world's leading blow-out experts, including the legendary Texan, Red Adair. *Despite the use of a flotilla of* small ships employing some of the world's most advanced pollution control equipment to try to corral the oil and scoop it from the surface, much of the crude that is not burning or evaporating is still escaping to threaten marine life and faraway coastlines. A fleet of aircraft is being used to bomb the oil slicks with chemical dispersants, but there are fears that the chemicals may be as harmful to sea life as the oil itself. And unless present forlorn attempts to seal the well from the top meet with unexpected success, it could be October before relief wells are drilled down to the Ixtoc formation to start sealing the well from the bottom.

Fresh doubts

Within Mexico itself the Campeche blow-out is giving rise to fresh doubts about the pace at which the whole oil industry is being developed and it is throwing a particular cloud over the future of Pemex's charismatic director-general, Sr Jorge Diaz Serrano, who has been talked of as a future presidential candidate.

Work on Ixtoc 1 was started on December 10 last year with the drilling contracted out to Permargo (Perforaciones Marinas del Golfo), a Mexican company of which Sr. Diaz Serrano himself was one of the founder members. (He claimed recently that he sold all his shares in the company and severed any connections with it in October, 1975.) *In its turn* Permargo contracted in the U.S. semi-submersible drilling rig, Sedco 135.

By June 2, after nearly six months' drilling, when the well was already 2½ miles (3,627 metres) deep, the work ran into trouble. During the day as the drill-bit bored down through the rock workers on the rig noticed significant loss of pressure in the drilling mud that was being pumped down the well.

While drilling is in progress a special kind of "mud," usually made of clay and water with the addition of various chemicals, is pumped down through the hollow drill pipe, coming out at the bottom through holes in the drilling bit. A powerful stream of mud is returned to the surface through the space between the drill pipe and wall of the borehole.

The mud keeps the drill bit cool, it brings up rock samples to the surface for study by geologists and it may give the first *indications of an imminent oil* or gas find. Most important it is also used to balance the pressures from the rock formations that are being drilled through.

According to a report recently released by the Mexican Attorney General's office mud pressure was lost at Ixtoc three times on June 2 and on each occasion work was suspended for a few hours. Drilling engineers on the rig were clearly perplexed by the loss of pressure. They decided to withdraw the 11,899 feet of drill-pipe, in order to change the *drilling bit and they prepared* more than 100 cubic yards of mud to pump into the well to hold it stable. For 6½ hours the well was closely watched and there was no sign of movement.

By 3 a.m. in the still dark hours of the early morning of June 3 only the last 650 ft of the drill pipe remained in the hole when disaster struck. Suddenly without warning the mud began to be forced back up the well. The first trickle quickly built up into a jet of mud, oil and gas. In less than 15 minutes the volatile mixture had exploded and was on fire turning the rig into a burning torch.

Misfortune

In this short space of time the drilling company suffered one major piece of misfortune according to the Attorney General's investigation. The drillers tried to activate the blow-out preventer (BOP) located down at the well-head on the sea floor. Within the *BOP there are metal rams that* can be operated hydraulically from the surface. They should be able to smash through the drill pipe and shut off the well automatically.

But the drill-pipe had been almost completely withdrawn from the hole. Remaining between the rams was the far thicker and stronger steel drill collar, which the rams were unable to smash. The well went out of control.

The 63-man crew rapidly abandoned the rig as the fire began to melt the drilling *tower. The metal superstructure* collapsed in the intense heat and plunged to the seabed. Much of it fell across the well-head on the sea-floor causing serious damage by bending the well-head.

During the first 24 hours after the blow-out the remains of the drilling rig were towed clear of the site. Since then Pemex has been following two distinct courses of action to try to stem the flow of burning oil and gas.

Underwater inspection, first by remote-controlled television cameras and later by a manned mini-submarine and by divers showed that the well-head blow-out preventer was not a complete write-off. It could still be *used perhaps to try to shut off the* well. Despite swirling underwater currents divers succeeded in attaching hydraulic hoses to the well-head and on June 24, the rams were closed.

Mud and gelatin were pumped into the top of the well, the flow was cut off and the fire burning on the surface of the sea was extinguished. But as cement began to be pumped into the well-head, a second surge of oil and gas gushed out of the well from a rupture below the blow-out preventer. On the surface of the sea the jet of oil and gas was deliberately set on fire again to try to cut down the pollution.

Since early July Pemex has continued to try to seal the well from the top through hoses attached to the well head, but the attempt appears forlorn. It *is injecting* whatever solid material it can force into the top of the well ranging from golf balls to small 2-3 inch steel balls, but much of the material is being ejected with the oil.

The main hope of controlling Ixtoc was in the drilling of two relief wells to the same depth as the existing well. Mud and cement can then be pumped down in the hope that this will be sucked up into the Ixtoc well where it will set hard and seal off the flow of oil and gas. But that is a long process. The first relief well was begun on June 11 and is unlikely to be completed before the second half of September. The second was started on July 1 and will not be finished before the beginning of October.

Pollution

For seven weeks from June 3 *Pemex estimates that oil was* gushing from Ixtoc at the rate of 30,000 barrels or more than 1m gallons a day along with 15m cubic feet a day of gas. Since July 23 the flow has been restricted a little to 20,000 barrels a day. Of this Pemex claims that about 10,000 b/d *are being burned, 5,000 b/d are* evaporating, about 1,000 b/d are being recovered and the rest is spreading out in a widening stain over the Gulf.

The real impact on the ecology of the Gulf will not be known for many months, but the visible pollution already covers many hundreds of square miles with the oil fetching up in small tar balls as far away as the beaches of South Texas.

The official verdict of the Mexican Attorney General has cleared all the individuals working on the Sedco 135 rig *of blame for the blow-out.* The accident was caused, says the report, by a "natural phenomenon" that could not have been *foreseen.* The original loss of mud pressure was caused by the drill-bit entering an underground cavern. The force of the drill-bit plunging through this hollow broke the seal of the oil reservoir and set off the surge of crude and gas to the surface.

The silver lining to the blow-out is that the Ixtoc well has discovered a major new oil field—reserves of at least 800m barrels have been talked of—and the crude is much lighter and more attractive than most of the earlier offshore finds. Ixtoc will certainly play a part in raising again Mexico's total of proven reserves. But that is little consolation for those living around the Gulf who *make their living from means* other than oil as they watch the mounting pollution spill out across the Gulf of Mexico.

Mr. Cyrus Vance . . . meeting Latin American leaders in Ecuador after junta's takeover in Nicaragua

Roldos takes over in Ecuador

BY SARITA KENDALL IN QUITO

MR. CYRUS VANCE, U.S. Secretary of State, will discuss the situation in Central America with leaders of Latin American *states, including Mrs. Violeta* Barros Chamorro of the Nicaraguan junta, during his visit to Ecuador.

More than 30 countries have sent representatives to today's inauguration of President Jaime Roldos Aguilera, which marks Ecuador's return to democracy after nine years, and to civilian rule after seven.

Among the heads of state in Quito are President Julio Cesar Turbay of Colombia, and President Luis Herrera Campins of Venezuela, as well as the foreign ministers of Peru, Argentina and Chile.

As Sr. Roldos takes over, the new constitution chosen by referendum last year comes into force and Congress begins its first session in nine years. Sr. Roldos' Popular Forces Party has the most seats, with more than a third of the total. Sr. Assad Bucaram, the party leader, barred from running for the presidency by a legal technicality, is expected to be elected leader of congress as the result of a much criticised pact with the Conservative Party. Though there has been no overt split in the Popular Forces, relations between "Roldosistas" and "Bucaramistas" are known to be tense and could affect the future government's effectiveness.

Sr. Roldos has chosen a number of independent figures for his Cabinet, and only four ministers come from the Popular *Forces. There are also representatives* from Vice-President Osvaldo Hurtado's Popular Democratic Party, which was given legal recognition earlier this week.

Ecuador's return to democracy has involved a considerable *political mobilisation* and discussion of the country's future. Hopes are so high that Sr. Roldos commented recently on his return from a visit to the U.S. and Latin American countries that he was afraid he might not be able to satisfy them.

President Jaime Roldos Alguilera . . . leads Ecuador back to democracy today after nine years

DC-10 short-cut defended

CHICAGO — Aircraft manufacturer McDonnell Douglas never explicitly disapproved of a short-cut maintenance procedure blamed for the crash of an American Airlines DC-10, *one of the airline's engineers* told an inquiry yesterday.

The DC-10 crashed last May at O'Hare Airport in Chicago, killing 273 people, when an engine tore loose as it took off. Investigators believed that the left engine ripped off because the pylon attaching it to the wing had been accidentally cracked by American Airlines' mechanics during maintenance two months before the crash.

The mechanics used a fork-lift truck to detach the engine and pylon from the wing together, and not separately as recommended in the McDonnell Douglas service manual.

Mr. William Fey, the American Airlines engineer who developed the one-step fork lift procedure, said that he consulted McDonnell Douglas in advance and "got the feeling they did not approve." But he added later that McDonnell Douglas "did not advise me they did not approve."

Mr. Fey said that one McDonnell Douglas official had even indicated that the forklift method might be adopted by the DC-10 builder if it proved workable.

Reuter

Brazil halts travel deposit

BRASILIA—An $S24 compulsory deposit with the central bank required of all Brazilians travelling abroad will be lifted on January 1, 1980.

The measure, first applied in July 1976, was aimed at reducing Brazilian spending overseas and raising money for tourist development, the Government said.

The announcement came a day after an official visit by Sr. Adolf Suarez, the Spanish Prime Minister, who complained that the travel deposit prevented Spanish immigrants in Brazil from visiting their familes at home.

AP-DJ

Muhammed Hamaludin reports on Guyana's resurgent Left-wing opposition

A new force of militants and intellectuals

THE MILITANT Working People's Alliance (WPA) has declared itself Guyana's newest left-wing political party, and immediately pledged to have a showdown with the ruling People's National Congress (PNC) before the end of the year.

The circumstances could not be more opportune, from the viewpoint of the five-year-old WPA. It is caught up in a *verbal war with the Congress* following the fire-bombing on July 11 of two big Government buildings—one housing the PNC's secretariat—and the fatal stabbing three days later of a Jesuit priest in street violence.

Insults have been exchanged as the two organisations take to the street corners in the cities and in towns on the bauxite belt, where both claim strong support. The Alliance dubs the ruling party "an illegal minority clique," and is in turn described by the Congress as "counter-revolutionaries and mercenaries of foreign interests" who have "launched a counter-revolution" in Guyana.

The political unrest has coincided with a period of severe economic difficulty: recovery measures coupled to two International Monetary Fund loans, have been bitterly criticised by the Alliance and other Left-wing groups, although they have clearly arrested the downturn which began in 1976.

The Alliance has been hammering away at these issues, as well as the *standing* allegation by all opposition parties that the PNC is guilty of electoral irregularities and undemocratic practices. The Alliance has been drawing crowds estimated at between 2,000 and 3,000, an encouraging size.

But the Alliance has done painstaking work over the past five years as one of the severest critics of the Government. It was formed by the alliance of *four small fringe groups, but* it has cut loose from all of them and boasts individual identity and a collective leadership.

The first two groups, led by Mr. Eusi Kwayana (formerly Sydney King) and Mr. Moses Bhagwan, respectively, brought to the coalition the experiences of seasoned politicians, as did the WPVP led by Mr. Brindley Benn. The Ratoon Group lent intellectual support in the form of young university radicals.

Mr. Kwayana has been involved in Guyanese politics for *over* 25 years, first with the older People's Progressive Party (PPP), now headed by Dr. Cheddi Jagan, the Opposition leader and former premier, and then, after the split in the PPP in 1955, with Mr. Forbes Burnham, the Prime Minister, and Mr. Burnham's ruling PNC, from which he subsequently broke away.

Mr. Bhagwan, a lawyer, was a close aide of Dr. Jagan's, but quit the PPP to form his own organisation. Mr. Benn, a deputy Premier in Dr. Jagan's Government, *split from* him on ideological issues and formed his Maoist WPVP.

The Alliance, however, owes much to the presence of the Ratoon Intellectuals, who have built up a reputation for Left-wing militancy along the lines of several similar groups in other parts of the Caribbean—Grenada's New Jewel Movement, for example.

The Ratoon leader is Guyana's foremost Marxist economist, Professor Clive Thomas. Another leading figure is an historian, Dr. Walter Rodney, who has been denied the history chair at the local university.

Another is Dr. Joshua Ramsammy, a university lecturer who was the target of a daylight assassination attempt by still unidentified gunmen some years ago.

The Alliance has the appearance of a genuine bridge across the racial barrier in Guyana, and a firm link with the country's intelligentsia.

In a round-up of suspects after the July 11 fire-bomb incidents, a number of WPA militants were held in custody for up to 72 hours, and this brought a sharp reaction from the respected academic board of the university, which said that the rights of academics had been trampled on for years, and this was only the latest "violation."

The missing link in the Alliance is a labour base, but some observers suspect that it has been attempting to build this among university, commercial, industrial and sugar workers.

There is little doubt that its strategy is to force the Government's resignation by mobilising the urban masses, as happened, for example, in Grenada and Dominica.

It has announced that plans are being drawn up by a broad-based opposition grouping, of which it is a leading part, for a "civil resistance and civil disobedience" campaign along the lines of Kwame Nkrumah's "positive action" programme. The ruling party has naturally responded by sharply denouncing the Alliance and its objectives. This attack is sustained in the pro-Government media and in street corner meetings. *However it is not yet clear what* the Government will do to counter what most Guyanese see as a direct challenge to the Administration's authority.

The Government believes that the revolution started by the ruling PNC is at stake and must *be defended from the mob.* The media have carried broad hints that preventive detention, under the National Security Act, is being considered. But there has been no official statement.

The Government and PNC *party position has so far been* tied to warnings that the authorities would not allow a return to the communal violence of earlier years.

It is also unknown how the Marxist PPP would respond to any genuine attempt to topple the Government.

Dr. Forbes Burnham . . . faces new opposition

It would almost certainly support the *Alliance:* both advocate a national patriotic front government, but while the PPP would like the PNC to be on it, the Alliance would not.

The PPP, clearly the largest Opposition party, is in the awkward position of having the initiative taken from it.

Whether it will be prepared to play second fiddle in any move against the Government remains to be seen, but it has to live with the charge by many other anti-Government groups that it has not been militant enough in opposition.

OVERSEAS NEWS

Tehran assembly to open as poll protests continue

BY ANDREW WHITLEY IN TEHRAN

IRAN'S Constituent Assembly is due to open tomorrow. Widespread protests are continuing over the manner in which the elections to it were held a week ago.

Twenty-five political parties, as well as clergy in the cities of Shiraz and Mashad have alleged ballot rigging and other abuses by the pro-Khomeini Islamic Republican Party, which won most of the seats.

Final results have still to be declared. On the basis of 63 confirmed results and the remaining 10 provisional places, in Tehran, it is clear that clergy supporting Ayatollah Khomeini will have an overwhelming majority.

The main opposition party, the Moslem People's Republican Party, supporting Ayatollah Shariat-Madari was yesterday considering whether to boycott the assembly. Its absence would leave only the Kurdish leader, Dr. Abdurrahman Qassemlou and possibly the leader of the small radical movement, Mr. Rahmatullah Moghadam-Maraghei as voices independent of the conservative clergy.

The turnout at the polls appears to have been much lower than the Government or Ayatollah Khomeini would have liked. In some areas, such as Kurdistan, voting appears to have been as low as 10 per cent.

Earlier this week, Ayatollah Shariat-Madari gave powerful backing to complaints being voiced, particularly in the two areas where his support is strongest, East Azerbaijan and Khorrassan provinces. He repeated his earlier recommendation that the constitution of 1906 should be retained, with a few changes to accord with Iran's republican status.

Since then the 77-year-old moderate religious leader is believed to have been consulting other senior clergy before deciding whether to come out openly against the election's outcome, and the holding of the assembly. Tabriz, his main stronghold, is reported to be waiting tensely for the outcome of Government investigations into alleged irregularities and for a clear signal from Shariat-Madari.

Much of the interest in the assembly is likely to focus on the strength of the fundamentalist demand for considerable re-writing of the draft constitution to bring it into line with Islamic principles. The draft published by the Government in June has been strongly criticised by a number of Islamic associations.

Explaining the assembly's procedures, Mr. Hashem Sabaghian, Interior Minister, said 13 commissions, each of five members, would be set up to examine different aspects of the draft.

The assembly is to meet for 31 days, with September 10 the cut-off date for debate. The separate commissions will each hold four sessions, interspersed with general meetings of the assembly.

This arrangement will make it easier to control any dissident. Alteration of the draft's articles will require a two-thirds majority of all members.

Soaring deposits at Iran bank

BY OUR TEHRAN CORRESPONDENT

DEPOSITS HELD by Bank Melli, Iran's biggest bank have risen by 204bn rials (£1.2bn) in the five months since the revolution.

Figures up to July 22, published yesterday, showed a 38 per cent rise in the bank's current account and time deposits overall during this period. The latter rose by 73 per cent, despite the politically motivated reduction in interest rates.

Traditionally Bank Melli, with a third of all deposits, has been the heavyweight in the Iranian commercial banking system. The latest statistics indicate that it has emerged relatively unscathed from the revolutionary turmoil. Also its predominance over the other banks (now nationalised) appears to have increased.

According to Mr. Jalil Shoraka, the bank's president, in the first 11 months of the last financial year, to February, 1979, total deposits by individuals and institutions rose by 9 per cent, compared with the 45 per cent growth in 1977-78.

In fact 1978 had been a period of no real growth. The latest figures illustrate for the first time the extent of the run on bank deposits last autumn and winter. A few days after the Tehran uprising which finally overthrew the Monarchy, Bank Melli's current account holdings were reported to have dropped by R37bn since the start of the financial year, 11 months earlier.

Stressing Bank Melli's role as a national institution, Mr. Shoraka said that since the revolution the bank had taken a number of measures to make credit more widely available to industry. In this respect it was working closely with the Central Bank, Bank Markazi.

Mr. Shoraka criticised the lack of business interest in the opening of new letters of credit for raw materials essential for production and new investment. New applications were at a record low despite the "lowest possible" interest rates and a reduction in the deposit required.

Singapore GDP grows by 9.7%

BY GEORGIE LEE IN SINGAPORE

SINGAPORE REGISTERED a real economic growth rate of 9.7 per cent in the first half of this year.

This was disclosed in an addendum to the annual National Day message delivered by Dr. Goh Keng Swee, Singapore's Deputy Prime Minister, currently acting Prime Minister.

The 9.7 per cent increase on an annual basis in Singapore's gross domestic product at 1968 prices improved on the 7.6 per cent growth in the first half of 1978.

However, the addendum gave warning that this continue in view of the onset of a recession in the U.S., which exerts a major influence on developing economies such as Singapore's.

Nevertheless, with the sharp rise in new investment commitments, a growth rate of more than 8 per cent for the whole of this year is predicted against 8.6 per cent for the whole of 1978.

The impetus for the expansion came from manufacturing, transport and communication, trade, and financial and business services.

Manufacturing was the most buoyant, contributing 39 per cent to overall growth.

Industrial production, boosted by advances in electronics, electricals and petroleum refining, expanded at an annual rate of 17.3 per cent, compared with 9.4 per cent in the first half of last year.

Refining capacity in Singapore is predicted to grow in size and importance in the 1980s as the major oil companies invest in new equipment.

Manila diesel plant talks continue

BY DANIEL NELSON IN MANILA

THE PHILIPPINES government's talks with Perkins and MAN of West Germany on the establishment of two diesel engine plants have progressed to the point where the extent of local content is now the main outstanding subject.

Mr. Roberto Ongpin, Minister of Industry, told the Financial Times that negotiations were continuing, mainly on the details. Incentives are understood to be among these.

VIETNAM'S PROBLEMS MOUNT

Defection another blow to Hanoi

BY NAYAN CHANDA, RECENTLY IN HANOI

FOR THE first time in the 49 years' history of the Vietnamese Communist Party, a senior leader has defected to the enemy.

Publication last week of the defection of 74-year-old Mr. Hoang Van Hoan, a former Politburo member, comes at a time when China continues to threaten a "second punishment" when the food situation is precarious and the economy in dire straits.

But Mr. Hoang Van Hoan's departure in July is a more serious blow to Hanoi than its economic ills or political isolation. This public demonstration of division within the Vietnamese leadership cannot be explained away as a consequence of war or imperialist and reactionary collusion.

Since the disclosure of Mr. Hoang Van Hoan's defection in the Far Eastern Economic Review last week, the Hanoi authorities have confirmed that a National Assembly vice-chairman has indeed fled abroad, but have stressed that the defection was not serious enough to be classified as an "affair."

Close observers of the Vietnamese scene are unanimous that while the defection may not lead to an open squabble in the Communist Party it will sow serious doubts in the minds of many convinced cadres.

The authorities put several alleged pro-Chinese leaders under house arrest for fear that they, too, may try to escape to China.

These leaders include the long-standing leader of the Nung Minority, General Chu Van Tan, aged 69, and another Minority leader, General Le Quang Ba, aged 64.

General Tan, who with General Vo Nguyen Giap, founded the Vietnam People's Army to fight against the French, was an uncrowned king of the Viet Bac Autonomous Zone until it was abolished in 1976. Tan was dropped from the Party Central Committee to be given the honorary position of vice-chairman of the National Assembly.

General Le Quang Ba was also dropped from the Central Committee and removed from the position of Chairman of the Minorities Commission.

These moves were taken to avert the danger of disaffection among minorities living in the Vietnam-China border region, as the two leaders were suspected of being pro-Chinese. News of their house arrest may fuel discontent among the minorities, especially the Nung, whose loyalty to Hanoi has been suspect.

Among Vietnamese in the north generally anti-Chinese feeling is strong, especially after the devastation caused by the Chinese invasion in February. So Hoan's defection is likely to be denounced by many as an act of treachery. But some party cadres who have known and worked with him might feel uncertainty about their own positions.

Hoan's defection aside, many cadres seem worried about Vietnam's current international standing and isolation.

Although the authorities have almost stopped organised illegal departures and are showing willingness to co-operate with the West in halting the refugee exodus, there is a nagging fear that the proposals put forward at the Geneva Conference will be a drop in the bucket in view of the size of the problem.

Western countries who have agreed to take refugees would do so not from Vietnam, but mainly from camps in south-east Asia where up to 700,000 people are ready to leave. Secondly, the "refugees" that Hanoi wants to let go are not the ones that the Western countries, or for that matter the United Nations High Commissioner for Refugees, are interested in. While Hanoi would like to see the Chinese business community—which is unwilling or unable to adjust to the socialist system and uneasy after the Chinese invasion—migrate elsewhere, the recipient countries are essentially interested in taking family reunion cases or qualified personnel who have worked for foreign companies or Governments in the past.

There is fear outside Vietnam that after some months of waiting the authorities will again give the go-ahead for the organised departure of ethnic Chinese from the country.

Mr. Hoang Van Hoan (left) pictured in Peking yesterday just hours after the Chinese Government acknowledged his defection from Vietnam. He told a Press conference that Vietnam was no longer an independent power, but was subservient to "a foreign power"—an implicit reference to the Soviet Union. John Hoffmann reports from Peking. Referring to the present Vietnamese regime as a dictatorship he promised to continue working for the Vietnamese people, "as long as I have breath." He said: "I am not in very good health, but when I have recuperated I will undertake certain activities."

For thousands of Saigonese—Chinese and Vietnamese alike—the choice is either to eke out a miserable existence in the city by selling property or by petty dealing or to face a harsh life in the new economic zones. Additionally, many former regime officials and bourgeoisie complain that schooling is reserved for children of revolutionaries and martyrs. Thus they see no hope for themselves or for their children and prefer the risk of drowning in the South China Sea and the hope of a new life elsewhere.

There is no way of stopping the refugee flow unless serious efforts are made to improve the quality of life in Vietnam. Shortages of everything lead to large-scale corruption of cadres and officials, who cannot make a living out of their paltry salaries.

To judge by Vietnam's immediate economic prospects, including the outlook for foreign assistance to salvage its economy, things will have to get worse before they can become better.

A visit to Ho Chi Minh City and its Chinatown, Cholon, showed me that whether the Vietnamese Government wants it or not, most of the remaining 800,000 Chinese are just waiting to leave.

If the authorities do not arrange for their departure and a fixed "departure tax" — as they have been doing — the Chinese will still manage to find their way out by bribing officials. There is no indication that Hanoi will accept the suggestion of some western countries that private business be reinstated to keep the Chinese in Vietnam.

The Hanoi alternative for the unemployed businessmen and service sector operators in the south is the "new economic zone," the Vietnamese version of opening its "Wild West" to increase food production and provide jobs for millions of jobless city dwellers who once made a living out of the Americans. An acute shortage of resources, bad management and bad weather have combined to make most of the new economic zones arid, malaria-ridden and inhospitable settlements.

New hope of E. African co-operation

By John Worrall in Nairobi

ONE BY-PRODUCT of the Commonwealth Summit could be the start of a new era in East African regional co-operation after years of stagnation.

President Daniel Arap Moi has returned to Nairobi with a plan, put forward by President Julius Nyerere of Tanzania, for a meeting between himself, President Nyerere and President Godfrey Binaisa of Uganda. "I am quite agreeable to a summit," Mr. Moi said in Nairobi. "We badly need one and Kenya is, as always, will act constructively."

He said the two issues for discussion, so far as Kenya was concerned, were Uganda, and the border between Kenya and Tanzania, which has been closed for more than two years.

"We are interested in regional co-operation, but how can we proceed while the border remains closed and how can we help in the reconstruction of Uganda in the present situation?" Mr. Moi asked.

The issue of the border closed by President Nyerere after the collapse of the East African Community, is a source of bitterness between Kenya and Tanzania. Kenya has lost a great deal of business with Tanzania and the latter has had to go elsewhere for imports of processed and manufactured goods, which it could have obtained from Kenya.

Kenya also lost a lucrative trade association with Zambia when Tanzania banned the movement of Kenya's heavy lorries over northern Tanzanian roads. At present consignments to Zambia of urgently needed Kenyan maize are being sent expensively by sea from Mombasa to Dar Es Salaam.

President Nyerere is said to have angered Mr. Moi in Lusaka when he put the blame for the border closure equally on Kenya. Mr. Moi replied sharply that the Kenya side of the border had always been open.

President Nyerere recently suggested the extension of a railway line to link the Port of Tanga with Musoma on Lake Victoria. With rail ferries across the lake to Uganda, this would remove Uganda's traditional reliance on the Kenya port of Mombasa.

To Kenyan businessmen the continued closure of the border with Tanzania seems an unnecessary interruption of normal trading patterns. For socialist Tanzania it arises from ideological dislike of Kenya's free enterprise methods.

WORLD TRADE NEWS

W. Germany being urged to step up coal imports

BY ROGER BOYES IN BONN

THE West German Government is being urged to step up its imports of coal in order to cope with its ambitious coal-gasification and liquefaction plans for the 1980s.

The call has come from a number of Christian Democrat politicians, from the Association of German Coal Importers and from the Association of German Chambers of Commerce, who have all criticised the present import level as being too low. A five-year agreement currently puts strict controls on coal imports, which last year totalled 5.9m tonnes. The main suppliers were Poland, the U.S., and Australia. A further 1.6m tonnes, not governed by the agreement, comes from the EEC.

Imports have stayed at a consistently low level, partly because West Germany's domestic coal reserves are so large—23.9bn tonnes of technically recoverable hard coal as well as 10.5bn tonnes of sub-bituminous coal and lignite — and partly because of deliberate Government measures to protect the domestic mining industry.

A system of direct and indirect subsidies also ensures that imported coal is generally not price-competitive for the principal industrial coal consumers.

The West German Importers' Association is now appealing for coal imports to be raised by at least 10m tonnes and for a 20 per cent increase in purchases this year alone. West German coal executives, who have argued against a large increase in imports, believe that domestic production could be increased about 7 per cent—this accounting for 23-25 per cent of West German energy needs—in the 1980s. Some of the 29m tonnes of coal which West Germany exports annually could also be diverted to the domestic market.

But Christian Democrat politicians believe this goal is unrealistic and that the long-term answer is to dismantle the network of subsidies and allow imported coal, which is already competitive with oil imports, to compete freely against domestically produced coal. Certainly extra supplies will be needed if West Germany is to press ahead with its programme of coal into petrol and gasification plans and to fill the energy gap, while a political question mark hangs over nuclear power.

Egyptair facing deadline on DC-10

McDONNELL-DOUGLAS has told Egyptair it will not be extending its August 15 deadline for the payment of a $5.8m (£2.6m) reimbursable "good faith" payment originally due in April for four DC-10-30 wide-bodied aircraft the airline has contracted to buy.

After the Chicago air crash in May, Douglas agreed to a number of extensions of the deadline, but interest has been accruing on the payment since June 11.

Douglas will be reviewing its position after the deadline expires, and it is considering taking the entire issue up with President Sadat. The airframes for the Egyptian orders have been laid down for first delivery in October next year. Egyptair has let it be known that failure to extend the deadline will be considered as releasing it from the contract.

The Egyptian Government has given its approval for Egyptair to buy wide-bodied aircraft, and the Board has voted eight-to-three in favour of the DC-10 purchases. However, the Air Vice-Marshal Yahyia al-Aldaris, the chairman and Dr. Mahmoud Abdel-Hafez, the Minister of Civil Aviation, are known to be against the deal.

● Alia, the Royal Jordanian airline, has decided to buy five new wide-bodied passenger planes to augment its airliner fleet, AP-DJ reports from Amman. The type of aircraft has yet to be chosen between McDonnell Douglas DC-10s and Boeing 747s. The U.S. Export-Import Bank has agreed to finance 85 per cent of the deal in the form of a long-term loan payable in 23 years with an 8.75 per cent annual interest rate.

Australia may cut textiles aid

THE AUSTRALIAN Industries Assistance Commission has recommended changes to the methods of protection for Australia's textile, clothing and footwear industries, aimed at forcing inefficient companies out of business.

The present system of protection, based largely on quotas, would be replaced in 1981 by an initially high tariff wall, which would be scaled down by 1986.

Local importers and manufacturers attacked the report claiming that it would substantially increase the price of imports, damage investment confidence, increase unemployment and have widespread inflationary effects.

Ministers responsible said that the recommendations were only a draft and still subject to alteration by the IAC itself. They urged businessmen to put their comments on the draft to meetings to be held in Sydney and Melbourne in September and November.

The basic changes would abolish quotas from 1981, set a 90 per cent tariff rate for the clothing industry in 1981 (declining to between 60 and 70 per cent by 1986), and set footwear tariffs at between 60 and 80 per cent in 1981 falling to about 50 per cent by 1986.

Pay bounties are envisaged for textiles in the intermediate stages, phasing them out in 1986 in favour of a 20 per cent duty on yarns.

There would be duty-free entry for lightweight woven fabrics, a 40 per cent duty on other woven fabrics and a 30 per cent duty on knitted goods. The IAC also recommended that the industries be reviewed again before 1986 to consider future assistance arrangements.

IAC projections showed that employment in the industries would fall from 100,000 in 1977-1978 to 66,000 in 1986-87. The IAC said its proposals were aimed at encouraging activity in areas where Australia had a comparative advantage and discouraging it where Australia was disadvantaged.

The IAC maintained that assistance to the industry was costing A$925m a year, which was equal to just over A$200 a household.

General Foods in Yugoslav agreement

By David Lascelles in New York

GENERAL FOODS, the giant U.S. company which makes Maxwell House coffee, Birdseye frozen foods and a host of consumer products, is to make its first direct entry into the East European market through a joint venture in Yugoslavia.

The company announced a triple venture with Agroco-op, the large Yugoslav food producer and marketer, which will result in General Foods products being sold in the Yugoslav market.

General Foods will supply the equipment and production technology, and Agroco-op the facilities, the organisation and labour.

Norway wins hydro contract

BY FAY GJESTER IN OSLO

STANDARD TELEFON og Kabelfabrikk of Norway has secured more than half of a $200m contract to supply and lay high-voltage submarine cables between the Canadian mainland and Vancouver Island for the British Columbia Hydro and Power Authority.

The project, claimed to be the biggest ever attempted in the field of submarine power transmission, was conceived mainly to meet the growing needs of the island's forest-products industry.

STK's part of the contract, worth $120m, involves the supply of 77 kilometres of cable and the laying of 154 kilometres. Pirelli, the Italian company, is supplying the rest of the cable.

The orders to STK and Pirelli were placed after the two companies had done two years of preliminary work under separate development contracts to determine whether the scheme was feasible. Both concluded that it was.

STK, says it was selected initially because of its experience in designing, producing and laying the 500 MW Skagerrak cable linking Norway and Denmark. The cable-laying ship, Skagerrak, specially built for that job, will be employed on the Canadian project.

Four cables will be laid, side by side, over a distance of nearly 40 kilometres, and total transmission capacity will be 1200 mw.

Mr. Frederik Thoresen, director of STK, said the company would spend some $12m to expand production facilities, partly to cope with the Vancouver project and partly because it hoped to win other major orders in the wake of this one.

EAST EUROPEAN TRADE

West cautious over Soviet car venture

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE SOVIET UNION wants to put a new family saloon on the road as quickly as possible and has had discussions with a handful of Western European manufacturers about the project.

The talks have dragged on and on mainly, it appears, because the Russians are offering a relatively poor deal. They want the Western company involved to put up cash, new technology and other expertise and take the payment in the form of Russian-built cars.

This week both Volkswagen of West Germany and Citroen (part of PSA Peugeot-Citroen) of France reminded us that they have been involved in these protracted negotiations.

But Ford, General Motors (via its Opel and Vauxhall subsidiaries in Europe) and Renault of France have also been embroiled at some stage. And depending on which Russian official you talk to, BL of Britain has either been involved or not.

So far the West's experience with the USSR has not been a particular happy one. Fiat of Italy helped the Russians set up a car plant at Togliatti on what was virtually a greenfield site on the banks of the Volga, in the late 1960s.

The Russian car, based on the old Fiat 124, is being produced at the rate of more than 700,000 a year. Fiat did not seem pleased when the car, called the Lada, appeared in Western markets at low prices. Some say it hastened the withdrawal of the Fiat 124.

The latest indications are that the USSR has shelved plans for an actual expansion of its car-making capacity, which would have involved the Togliatti plant, because the raw materials, particularly steel, are needed more urgently elsewhere.

But they are desperately keen to replace the medium saloon based on a 1950s design called the Moskvitch. Getting rid of this vehicle, currently made at the rate of about 200,000 a year, would involve only a modicum of extra capacity.

The negotiations are complex but the Soviet Ministry of Automobile Transport hopes they will be completed in time for the start of the next Five-Year Plan in 1981.

The idea would be for the old Moskvitch plant near Moscow to switch production to the family saloon which would be identical with a model produced in the West. Up to 200,000 a year would be made, in line with Moskvitch production.

The Russians had in mind that the "lucky" Western manufacturer would pay for the re-equipment programme at the Moskvitch plant, help solve the start-up problems, and, of course, provide the technology for a completely new car and then take as payment cars produced at the Moscow plant.

About three out of ten of the cars produced would be exported and the Russians point out that the Western producers could easily absorb the 60,000 to 70,000 cars a year involved into their European networks. However, in Western Europe there is overcapacity in car production already.

They are quite aware, though, that the Russians are only interested in outside help because they have run out of domestic design and engineering capability. Two new Russian cars have been developed in the past few years. The first, a four-wheel-drive vehicle rather like a small Land Rover and called the Niva is already being mass-produced at the Togliatti plant.

The second, a front-wheel-drive car slightly bigger than the Mini and, some say, very much like the Ford Fiesta, will go into production at the Zaporzhets plant in the Ukraine in 1981. That plant has a 120,000-a-year capacity.

Poland's aircraft industry comes of age

BY LESLIE COLITT IN BERLIN

POLAND'S rapid industrial development in recent years has made it the second ranking aircraft manufacturer in Comecon and the world's sixth largest, with 90 per cent of its production destined for export.

Recent successes of Poland's aviation industry—known, as nearly everything else is, in Polish industry by its initials PZL—includes sales of aircraft engines to the United States as well as a contract with Moscow to supply sub-assemblies for the Soviet airbus, the Ilyushin 86. Poland is also readying production of a twin engine executive aircraft, in a licence arrangement with Piper Aircraft of the U.S.

The modern Polish aircraft industry had its origins in the darkest days of the Second World War when the Soviet Union commissioned plants in the liberated part of Poland to repair Soviet-built fighter aircraft. The first larger orders followed from Moscow for Soviet-licensed agricultural aircraft and engines.

In the 1950s the Poles were signed to build a Soviet-designed Mig-15 and other combat aircraft used by the Polish Air Force. Today, however, the only military aircraft produced in Poland are jet trainers such as the TS-11 Iskra.

Poland has now exported more than 8,000 Antonov 2 transport aircraft, which are built at the industry's Mielec factory under licence from the Soviet Union. This is some 50 per cent of the number of aircraft produced in Poland since the war.

The industry prides itself on turning out larger series of helicopters than manufacturers in France or Britain and says it ranks fourth internationally in manufacturing helicopters. The main model produced is the MI-2 light helicopter built under Soviet licence at PZL's Swidnik plant. The two turbine MI-2 and its improved MI-2M agricultural version for export to the West has been designated the Taurus II.

The other main line of aircraft Poland produces for Comecon use is agricultural models. PLZ has cooperated with Rockwell International of the U.S. to build an aircraft capable of lifting an especially large quantity of chemicals, the M-18 Dromader.

It is described as the world's largest capacity agricultural aircraft with a piston engine and is an enlarged version of the American-built Thrush, complete with a Polish engine made under Soviet licence. PZL has delivered 15 of the 600 h.p. 38 engines to the U.S. this year for use in the Thrush.

The Poles also have ties with Piper Aircraft of the U.S. and they are preparing to produce the M-20 Mewa, an American-designed two-engined executive aircraft of the Piper Seneca II type. Poland plans to use it as a light transport plane as well as an air ambulance and taxi and hopes to find buyers in the West as the Polish version is to be equipped with engines made under licence from America's Franklin Company.

The Soviets, undoubtedly under some pressure because of Poland's broadening contacts with Western aircraft companies, have agreed to let Poland produce sub-assemblies for the Soviet airbus IL-86, which is to be put in service in the early 1980s.

Plants in Mielec and Swidnik have begun production of control surfaces, parts of control gears as well as slots, flaps and ailerons.

Starting next year, the entire wing of the Soviet aircraft is to be made in Poland along with other sub-assemblies. Part of the agreement is that LOT, the Polish airline, is to receive early deliveries of the Soviet Airbus that is to carry 350 passengers over an average range of 5,000 km.

Last year, the Poles obtained a licence from the Soviet Union to build the AN-128 feeder plane capable of carrying 15 to 20 passengers over 2,200 km. Poland is proud of the enormous leap in aviation it has taken in aviation since the war but it is now anxious to see its technical capabilities applied to earning badly needed foreign exchange, especially from the West.

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Optimistic forecast for oil supplies

By Ray Dafter, Energy Editor

AN OPTIMISTIC forecast that oil could remain the main source of energy into at least the second quarter of the next century was made yesterday at the International Banking Summer School in Cambridge.

It came from Prof. Peter Odell, former energy adviser to the Department of Energy and professor of Economic Geography at Erasmus University, Rotterdam. He described as "mischevious nonsense" reports that there would not be enough oil to meet world energy needs in the foreseeable future.

The short-term problems were masking the longer-term outlook for energy in general and oil in particular, he said.

Long-term economic growth was possible without greater energy use than at present. Economies could maintain an annual growth rate of 3 per cent even if the expansion in energy use could be limited to 1.5 per cent a year.

Constraint in energy use, coupled with the development of the world's considerable remaining oil resources, offered the least risky key to the world's energy future.

Taking a modest view of the ultimate size of the world's oil resource base and a liberal view of the development of oil demand, an oil-based economy could be prolonged into the second quarter of the 21st century, he said. With a 1.5 per cent instead of a 3 per cent annual growth rate in demand, the year when there would need to be maximum depletion of the resource base was put back into the second half of the century.

The world, he said, had a "two or three generations' period of grace," which could provide the necessary breathing space for the development of other energy sources.

Plans to cut attractions of not working

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE GOVERNMENT is working on plans to widen the gap between the earnings of people in work and the unemployed, Sir Keith Joseph, the Industry Secretary, said yesterday.

Tax thresholds were now so low it was a miracle that millions of people still went to work at all, he said. The benefits of doing so were very small.

The Government started to remedy the situation by raising tax thresholds, left ridiculously low after five years of Labour government. But this was hugely expensive and would take time.

It was also looking at how best to restore the will to work by bringing short-term benefits, such as unemployment payments and sickness benefits, within the tax system.

Sir Keith said that no legislation was yet ready and it might be months before the Government would go ahead. It was probable that tax liability on benefits would be assessed annually rather than on a pay-as-you-earn basis.

The idea was not new, he added. It had been considered by the Attlee Government and the resignation speech of Mr. Reg Prentice from the last Cabinet indicated that Labour Ministers were also considering the idea.

Sir Keith was speaking in Scotland where he saw advanced work in micro-electronics at several companies and at Edinburgh University's Wolfson Institute.

Post Office creates research division

BY JOHN LLOYD

A NEW postal operation and research division is being formed in the Post Office.

This move is seen as preparatory to the division of the corporation into two businesses, a Government announcement about which is expected shortly.

The new division will be headed by Mr. Peter Milne, present controller of mails and transport in the London postal region.

The division is expected to take over a number of functions performed by central headquarters, which would disappear once a split was implemented. It will also handle some operations presently controlled by other departments. It is expected to provide a range of management services, including research into postal deliveries and traffic flows.

The division will be concerned with efficiency and productivity, particularly if a productivity agreement is reached between the Post Office and the Union of Post Office Workers. Talks on an agreement are in progress.

The operation of the mail mechanisation programme, expected to be complete in three to four years, will also come under the new division. A major problem for the corporation will be persuading its customers to adopt the use of postcodes, without which the mechanisation programme will not be able to function.

The Government was expected to announce the splitting of the Post Office into two separate corporations — telecommunications, and posts and giro— before the end of the last Parliamentary session. The announcement is likely in the next few weeks.

Violence again in Belfast

By Our Belfast Correspondent

VIOLENCE WHICH security forces in Ulster feared would mark the anniversaries falling this week returned to the streets of Belfast yesterday.

About 30,000 police and soldiers were on alert to deal with any trouble over the tenth anniversary of British troops arriving in the Province, which coincides with the eighth anniversary of the introduction of internment.

After 24 hours of sporadic rioting and hijacking in the Falls Road district of Belfast, snipers began to appear last night to fire on the army and police.

The RUC, which cancelled all leave, warned people to stay away from areas like West Belfast, likely to be the scene of hijackings. They feared that the Provisional IRA would take advantage of an emotional period to step up attacks on security forces and commercial targets.

The alert is scheduled for seven days because of parades by both factions in Ulster. The Protestant Apprentice Boys will gather in Londonderry on Saturday for their annual demonstration which 10 years ago led to widespread rioting the troops were called in to quell.

Parades

Temperatures were raised further by Provisional Sinn Fein, the IRA political wing, which spoke of plans to barricade streets in the Bogside.

The level of violence rose markedly on Wednesday night as gangs of youths roamed parts of Belfast hijacking and setting fire to vehicles. This continued yesterday and buses were withdrawn from many routes to prevent further losses.

On a number of occasions hidden gunmen opened fire, and near Provisional Sinn Fein headquarters a brief gun battle broke out between soldiers and snipers.

The army said the security forces were attempting to contain what trouble there was. One factor in their favour appears to have been the weather. The Irish News, a Belfast morning paper read mainly by Catholics, reported that several protest meetings in Belfast failed to get off the ground because of the rain.

TEN YEARS AGO THE EMERGENCY BEGAN, AND TROOPS WERE SENT IN . . .

The U.S. lobby for Irish peace

THE PAST seven days have scarcely been a fruitful period for Anglo-American exchanges on the Ulster problem, writes John Wyles from New York.

First, the State Department's ban on the sale of U.S.-made handguns to the Royal Ulster Constabulary infuriated broad sections of British opinion which saw it as a further example of the malign grip of the Irish lobby in Washington.

And then on Monday, the possibility of American involvement in an already highly complicated equation was raised by Governor Hugh Carey, who said he would be chairing a "peace parley" between British and Irish ministers in New York in September.

Mr. Humphrey Atkins, Britain's Northern Ireland Secretary, who was one of Mr. Carey's prospective participants, was moved to issue a somewhat dampening statement.

Yes, he was thinking of going to New York, said Mr. Atkins, but certainly not to negotiate the future of Ulster. He might have added, but did not, and certainly not under the auspices of a man who seems in Britain to be identified with the sinister Irish lobby whose sympathies are believed to lie firmly with the IRA.

Rather, said Mr. Atkins, he wanted to try to remove the considerable misunderstanding about Northern Ireland and the British Government's policies "which still seem to cloud the minds of some interested parties in America."

Thus Governor Carey may yet have his meeting, at which Mr. Michael O'Kennedy, the Irish Foreign Minister might also be present, but a "peace parley" seems out of the question. Whether Mr. Carey misunderstood Mr. Atkins or whether his motives were more sinister, it is impossible to tell.

Mr. Atkins was right to talk of misunderstandings but he might have acknowledged that they are on both sides. The point about Mr. Carey is that neither he nor the three other most prominent critics of Britain's policies on Ulster, Mr. Tip O'Neill, House Speaker, Senator Edward Kennedy and Senator Daniel Patrick Moynihan is at all anxious to give aid and comfort to the Provisional IRA.

Moderates

Mr. O'Neill's public call in May for a ban on handgun sales to the RUC might seem to contradict this, but Mr. O'Neill believes that if the U.S. is to be of any help in bringing peace to Ulster, then it must not be seen to be supporting the interests of one side against the other.

In the broad spectrum of Irish-American opinion on Ulster, these men are undoubtedly moderates, ready to condemn the violence in public and certainly much more understanding of the British Government's problems and priorities than the more red-blooded parlour revolutionaries who stand at the extremes.

But misunderstandings for which Mr. Atkins may hold Governor Carey and his colleagues guilty, seem here to be more differences of perspective. There is no shortage of opinion in Whitehall that the only long term solution to the Ulster problem is the reunification of Ireland.

That also is the opinion of Mr. Carey and his friends and if they say so in public with perhaps fewer qualifications than a British Minister might make, they do not believe they are giving aid and comfort to the IRA.

Indeed, Senator Kennedy's statement in a Belfast Telegraph interview in May that the Irish Republic should help moves towards power sharing in Ulster and the eventual unification in Ireland "with the clear understanding that this is going to be an evolutionary process, which has to have within it protection of minority rights and liberties," did not sound greatly different from some British Government statements of the past.

Obviously O'Neill, Kennedy, Moynihan and Carey are all of Irish extraction and have significant Irish constituencies. But opinion within these constituencies is by no means monolithic. Although groups willing to give money and support to the Provisionals tend to be more visible because they are more vocal, it is from these groups that these leading politicians have distanced themselves.

There is much more nuance to their actions than may be commonly understood in Britain. There is, first of all, the feeling that the violence and bloodshed has gone on too long, that successive Governments in London have run out of ideas and that some initiative from across the Atlantic could be both creative and fruitful.

While some in Britain might question the right of the Americans to involve themselves in the country's grievous domestic problem, Governor Carey and his colleagues barely give it a second thought.

Altogether 16m Americans can claim to Irish ancestry and large numbers of Irish Americans, particularly in the North East, do have a special regard for and interest in Irish affairs. Some think it as natural and desirable for the U.S. to be involved in the Irish problem as it is in the search for a peaceful solution in the Middle East.

Certainly this appears to be Carey's view and it is one of which he has been persuaded by his personal physician Dr. Kevin Cahill, born, like Carey, in the U.S. of Irish extraction.

Cahill is an extremely bright, loquacious individual who is undoubtedly the chief influence on Carey's thinking on Ireland. As the holder of a chair of medicine at Dublin University and the owner of a classy Fifth Avenue practice, Cahill has the opportunity and the friendships in Dublin to bring Carey into contact with the thinking of leading politicians in the Republic. Cahill also lined up Carey to give the 1977 Harry O'Flanagan lecture in Dublin in which he asserted that "no further death (in Ulster) will right the wrongs."

Essentially a call to a common front of all men of goodwill in North and South, Carey's lecture brought him much abuse and opprobrium from the activists in the Republican cause in New York. It did not, however, prevent his re-election as Governor last November.

Alienate

But he then went on to alienate many British politicians with a newspaper article here, co-authored with Cahill, which appeared just before the general election. This called for American pressure to prompt a British plan for political and physical withdrawal from Northern Ireland and for U.S. financial and technical assistance for "whatever viable form of government is arrived at in Northern Ireland."

The article raised a few eyebrows because of the strength of its anger at successive British governments and its urgent call for a more definitive solution. But both Carey and Cahill were worried about a slender Conservative victory on May 3 which might give the Ulster Unionists greater influence on London policies.

If these worries had proved well founded then the pressures here on President Carter to involve himself more directly would be much greater than they are. They do exist, however, and this is where Carey, O'Neill, Kennedy and Moynihan may constitute the most important Irish lobby of all.

Mr. Carter's pre-election prospects are already cloudy enough.

Sunderland may land ship order

By Lynton McLain

SUNDERLAND Shipbuilders, which lost almost £2m last year and is working on its last four ships on order, may be about to win an order for two 31,000 deadweight ton bulk carriers.

This would provide work for a year for up to 1,200 employees out of the total workforce of 4,100 men. The current order book is expected to last two years.

Mr. James Gilfillan, the chairman of the company, which is owned by British Shipbuilders, the state corporation, said yesterday he was "optimistic" about the work being placed with the Wear-based yards.

He was awaiting the outcome of talks between an unnamed customer and the customer's bankers.

The orders are also understood to be awaiting clearance from the European Commission for the use of the Government's shipbuilding intervention fund which is available to subsidise up to a third of the cost of new ships built in Britain.

Strikes cause slight fall in July vehicle output

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

BOTH car and commercial vehicle production eased back from June levels last month but remained ahead of output in July last year.

According to Department of Industry statistics, the seasonally adjusted output of cars was 99,000 in July, compared with 101,000 in June and 96,000 last July.

Last month's figures were affected by the serious strike at Talbot (formerly Chrysler) and lesser interruptions because of disputes at BL plants.

Commercial vehicle production in July was 36,600, compared with 37,900 in June and 33,500 in July 1978.

Ford said yesterday that it had produced more commercial vehicles in the UK in the first seven months of 1979 than in the whole of last year, when the group suffered from a nine-week strike in the autumn and an aftermath which carried on well into the new year.

Up to the annual shutdown on July 27, production of Escort vans at Halewood, Transit vans at Southampton and heavy commercial vehicles at Landley (Berks.) totalled 109,884 units, compared with 106,472 for the whole of last year.

The total was also well above that for any corresponding period in the company's history, the previous peak being 87,821 units achieved in January-July 1970.

Mr. Andy Thoms, Ford's director of truck sales said: "Provided production continues at the high levels achieved so far, we can be confident of leading the total commercial vehicle market for the eighth consecutive year. On present performance we should end the year as leader in all three segments—light, medium and heavy—as well."

Two brokers dominated big gilts purchase

By James Bartholomew

A LARGE part of the £400m to £600m nominal of the tap stock sold out on Wednesday went to clients of two stockbrokers.

One of the brokers was De Zoete and Bevan. Finding that a few clients were interested in buying the stock, De Zoete contacted others to make up a large block purchase order. "The whole thing blew up terribly quickly," one of the dealers said yesterday.

The order went through a jobbing firm which also put in for some stock on its own account. The jobbing firms' identity is not known but it was not Wedd Durlacher; the other major jobber in gilts, Akroyd and Smithers, declined to comment last night.

Something over half the £1.5bn stock — 11¾ per cent Treasury 2003-07 — had been sold when offered for tender on July 25. Buyers had to put up only £15 per £100 of stock with the balance due at the end of this month and in early September.

The gilt market was very firm on the Tuesday afternoon and the jobbers are thought to have been happy to sell long-dated stock that day only because the tap stock was available at a price only slightly higher. So when the demand followed through on Wednesday they went for the tap stock to guard their positions.

The tap was sold out at £15¼ and closed on Wednesday at £15¾. Yesterday morning the rise continued to £16¼ but then the stock fell back to £15¾.

July steel output up

By John Lloyd

UK STEEL production last month rose over July last year, while production over the first seven months of this year is also up on the same period in 1978.

Production in July averaged 385,700 tonnes a week from both the British Steel Corporation and private mills. This compared with an average of 367,500 tonnes in July of last year.

Average weekly production for the first seven months of 1979 stood at 415,900 tonnes, compared with 399,500 tonnes over the January-July period in 1978.

July's output figures were down on the weekly average of 451,700 tonnes for June, a fall which reflected the effects of annual holidays in the major steel making areas.

Ferry survey move on Tunnel

BY LYNTON McLAIN

THE GOVERNMENT has commissioned a survey of motorists using cross-Channel ferries in a first move towards evaluating the prospects for a Channel Tunnel.

Mr. Norman Fowler, Transport Minister, has started to consider a British Rail report proposing a £650m single track rail tunnel. The report says that traffic by air and sea over the Channel had doubled in the last decade, and would double again by 1990 when the proposed tunnel would open.

The Office of Population Censuses and Surveys is conducting another study of cross-Channel passengers. The Department is carrying out its own survey at a different time, starting next month, so that passengers are not asked two sets of questions.

Follow the AA sign to Moscow

THREE AUTOMOBILE Association motoring experts set off from Britain yesterday to chart an overland route for British motorists to the Moscow 1980 Olympics.

The team will log road conditions, signposting, motels and camp sites over the 3,228 miles journey. In Moscow, parking, transport and other facilities for visitors will be inspected.

Mr. Derek Fothergill, one of the AA team, said that British motorists considering driving to Moscow would want advance information about facilities and problems they might encounter.

Accountancy 'scapegoat' tactics attacked

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

PROFESSIONAL accountancy bodies were accused yesterday of using members who have been convicted of criminal offences as scapegoats to preserve their professional image.

A report published by Apex Trust, a national charity for ex-offenders, shows that 92 per cent of accountants appearing before the English Institute of Chartered Accountants' disciplinary committee between 1970 and 1977 because of criminal convictions were consequently excluded from the Institute.

In contrast, only 45 per cent of those reported for unprofessional conduct were excluded.

But the report finds that the disciplinary bodies retain much scope for discretion and flexibility. "Without any formal departure from stated policy we also find members being excluded for such offences as stealing a pair of trousers, the theft of five gallons of petrol, supplying cannabis and failing to make payments on County Court judgments."

Decisions of no action and a reprimand for members convicted of handling stolen property and the possession of cannabis were also encountered.

The most suitable candidates for becoming scapegoats—"the Admiral Byngs of the professions"—are persons who have already been convicted, the study claims.

"The accountancy bodies, like other professional bodies, have in the past used this kind of opportunity to improve their public image, while rejecting some other opportunities to improve the standard of their service.

"Certainly the profusion of theoretical statements by leading members of professional bodies over recent years with the stress on such nebulous commitments as 'upholding the dignity of the profession,' or 'remembering one's duty to the community' seem more designed to maintain or improve a public image than a desire to make genuine improvements to the conduct of, or service given by, their membership."

The Apex study emphasises the apparent harshness of some disciplinary committees' decisions. "When the harshest sanction possible is imposed for petty theft, such a sentence compares unfavourably in relation to a reprimand being given for the misrepresentation (albeit unintentional) of the possession of £14m."

Changes in rateable value system urged

BY ANDREW TAYLOR

THE GOVERNMENT should carry out a major overhaul of the system used to fix household rateable values, the Association of Metropolitan Authorities said yesterday.

Mrs. Rita Hale, the association's under-secretary for finance, was particularly critical of the wide discrepancies between rateable values in different parts of the country.

The AMA and other local authority associations have attacked the Government for its decision to cancel the rating revaluation planned for 1982—the first since 1973.

Mrs. Hale said yesterday that his "breathing space" should now be used for an urgent review of the valuation system.

"Figures produced by the Inland Revenue reveal the incredibly wide variation in domestic rate bills between one part of the country and another.

"How much you pay in rates depends not only on the rate in the pound the local authority levies, but on the rateable value put on your property by the Inland Revenue and these can vary tremendously.

"For example, the rateable value of a standard domestic property in Mid-Glamorgan is set at £139, whereas in Hertfordshire it is £277. In metropolitan districts there is a range from £162 in Barnsley to £259 in Wolverhampton."

The problem is more acute in London, says the AMA. Standard rateable values range from £255 in Bexley to £658 in Westminster, and the association is to press for a fairer deal for London ratepayers whose domestic rates were on average about 40 per cent higher than the rest of the country.

The regional descrepancies in rateable values were a major factor behind the wide differences between rate bills in different parts of the country.

The level of rateable value also affected the amount of rate support grant paid by central government, said Mrs. Hale.

"London suffers particularly badly on this count. Because rateable values in the capital are so high, it is argued that London local authorities do not need the same proportion of support grant as elsewhere in the country.

"For this reason the Government 'claws back' some of the grant that London would otherwise have received.

"We want measures to be included that will ensure that average domestic rate increases within London next year will be equal to those outside London."

Health authority asks Jenkin for more time to make cuts

BY LISA WOOD

A LONDON area health authority yesterday announced that it will appeal to Mr. Patrick Jenkin, the Social Services Secretary, against a £3.7m cut in spending.

Members of the Ealing, Hammersmith and Hounslow AHA have agreed to go ahead with cuts of £1m but want more time to make the other savings.

Last week Mr. Jenkin suspended members of the Lambeth, Southwark and Lewisham AHA who refused to implement cuts and replaced them with commissioners.

Mr. Brian Herbert, treasurer of the AHA, said: "We want to see the Secretary of State to tell him of our problems and the repercussions of making all the cuts within an eight-month period.

"We are going ahead with cuts of about £1m and we will make detailed proposals for the other £3m. But we cannot make these savings without drastic cuts and we want an extension of time to do this—until 1981. We are not saying we are not prepared to do anything, we are merely saying we need more time to do it."

He said the proposed cuts in spending—a reduction of the authority's budget for this year from £82m to £78m—would mean the closure of about 700 beds, redundancies and a reduction in services.

Mr. Herbert said the position of the Lambeth, Southwark and Lewisham AHA members had been discussed by his authority's members. They had decided it was better for the AHA to make savings than to have commissioners brought in who "do not know the area or the services."

The AHA's request will be first examined by the North West Thames Regional Health Authority.

● An attempt to stop the South East Thames Regional Health Authority from co-operating with the commissioners in charge of Lambeth, Southwark and Lewisham area health authority failed yesterday.

The non-co-operation move was made by Mr. Ted Knight, leader of the Labour-controlled Lambeth council and a member of the RHA.

He warned that the cuts being examined by the commission—brought in by the Government when it suspended the AHA for refusing to make cuts of about £5m—would cause deaths.

But the meeting was told by Mr. David Crouch, Conservative MP for Canterbury, that it would be impossible not to co-operate with the commissioners. He said the Lambeth, Southwark and Lewisham authority had a history of overspending.

Pay body offers catering workers £41.20 minimum

BY NICK GARNETT, LABOUR STAFF

NEW MINIMUM weekly rates of £50 for adult non-service workers and £41.20 for service workers have been fixed by the wages council for staff in licensed hotels and restaurants. Minimum rates will be £4 higher in London rather than the present £2.40.

The new rates, which will go out for consultation within the industry before becoming statutory entitlements, were bitterly attacked yesterday by the unions.

"We are still a very long way off our objective of providing a living wage for this grossly exploited group of workers," said Mr. Fred Cooper, national officer of the General and Municipal Workers Union. He leads the union side in the Licensed Residential Establishment and Licensed Restaurant Wages Council.

The council affects directly and indirectly the pay of more than 500,000 full-time and part-time catering employees.

The six existing grades of non-service worker — which cover cleaners, lift attendants, butchers and other groups—will be amalgamated into one grade on a minimum of £50 outside London. Present minimums for these grades are £40.40 to £42.80.

The three service grades, covering staff who would normally be in a position to receive tips and include waiters, porters and cloakroom attendants, are also to be grouped into one grade on a minimum entitlement of £41.20 outside London.

Adult rates will be paid from the age of 20 rather than 21. Minimum rates for younger staff are being raised pro rata but will still be considerably lower than the adult rate.

Of all the groups, the chambermaids have come out best from the settlement, which was proposed by the employers' side, supported by the independents on the wages council but voted against by the unions.

Chambermaids are to be reclassified as non-service rather than service workers, so their minimum pay in the provinces will be raised from £33.60 to £50.

Overtime for all staff will be paid at time and a half after 40 hours instead of time and a quarter for the first four hours. Bank holiday pay at double time has been restored for part-time workers.

Deductions for meals are not being increased but there is a 25 per cent rise—up to £13 a week—on deductions for full board.

The union side is questioning or appealing against a number of items in the proposed settlement, including the classification as full-time worker for those staff who work 40 hours rather than the present 32.

The unions had been seeking a minimum of £65 and have failed to achieve improvements in a number of areas, including payments for "spreadover" shifts.

"This package is disappointing," said Mr. Cooper. "While the percentage seems large, we are still in the position where most people in this industry will need to claim supplementary benefits in order to live."

Micro-electronics 'may lack trainees'

BY ELAINE WILLIAMS

THE ELECTRONICS industry is concerned about the future of a £12m micro-processor training scheme to be run by the Department of Education.

Since the election, the scheme has been under review in light of the Government's plans to cut spending in education and science by £55m.

The Department announced the scheme in March, when a consultative document was sent to industry. The training programme would cover England, Scotland and Wales

The previous Government stressed the importance of training people to meet future needs. A reduction in the range of the scheme could affect the country's ability to exploit the micro-electronics field.

The fate of a £40m opto-electronics support scheme planned to be run by the Department of Industry, also announced last March, is not known. This scheme would provide finance for companies wishing to use opto-electronics (electronics associated with light, such as lasers and optical fibres) and would work on similar lines to the present micro-electronics support scheme.

Czech civil rights snub for Labour

By Philip Rawstorne

THE Czech Ambassador in London has refused to meet a Labour Party delegation to discuss the treatment of civil rights campaigners in his country.

Members of Labours national executive, who requested the meeting, were accused of "gross interference in the internal affairs of Czechoslovakia."

The NEC last month passed a resolution condemning the arrest of Charter '77 supporters in Czechoslovakia as "the most serious act of repression" in that country since the 1950s.

It was decided then that Miss Joan Lestor, Mr. Anthony Wedgwood Benn and Mr. Alex Kitson, should inform the Czech Ambassador of the party's "grave concern" over the issue.

Miss Lestor said yesterday that the unprecedented refusal to meet the delegation was "a setback for all those genuinely concerned about detente and co-operation in Europe."

She added: "We shall not give up, however. We shall continue to press our point of view wherever and whenever we can."

Matthews reconsiders Daily Star's future

BY JOHN LLOYD

MR. VICTOR MATTHEWS, chairman of Express Newspapers, said yesterday that he was "looking carefully" at the future of the Daily Star. He would not invest further in it while there was no agreement to print in London as well as Manchester.

"People think it's essential that we can continue to publish newspapers," he said. "It's not essential. I'm looking at the bottom line."

Mr. Matthews said that investment in the Star had been substantial, and that "it isn't winning money, that's for sure.

"I would not go so far as to say that its future is in doubt. But it is very desirable to come to London, and I'm taking a straight commercial view of the paper."

Earlier this week, Mr. Jocelyn Stevens, managing director of Express Newspapers, managed to obtain agreement from distribution workers to continue handling the Star in the south of England. This followed a rejection by machine managers at the Daily Express of an offer of extra payments to print the Star on Express machines.

The machine managers, members of the National Graphical Association, are looking for payments amounting to £50 extra a week, and extra staff for the machine room. Express says that these demands, together with "knock-on" effects, would increase the cost of printing in London by £1m.

Both sides now appear pessimistic about reaching agreement. Mr. Bill Booroff, the NGA's London regional secretary, said that London printing was unlikely. Mr. Matthews said yesterday that "in view of the demands being made, it isn't on to move. It doesn't mean the end of the paper, but there must be some give and take."

Threat of further hospital action

Financial Times Reporter

HOSPITALS and clinics throughout the UK could again be hit by industrial action, the National and Local Government Officers Association (NALGO) said yesterday.

The warning came after a breakdown of talks at a meeting of the Whitley Council, which is responsible for negotiating wages and conditions.

NALGO has 3,000 members employed as area and district works officers, which is 70 per cent of the total staff employed in these posts.

Talks broke down because no agreement could be reached on the 1979 pay award nor on consolidation of bonus allowances.

A management pay offer of staged rises, conditional on the staff side accepting an independent comparability exercise, was rejected because it did not restore differentials with craftsmen (currently 26.18 per cent), nor did it match increases given to other Health Service personnel.

On the question of bonus payments, NALGO claimed that the amounts set out in the October 1978 agreement were not being paid. The point of principle between the two sides regarding bonuses was not resolved by the management's offer to look at individual cases, the union said.

A special meeting of NALGO's National Health committee is to be held on August 17, to be followed by a meeting of the National Advisory committee.

The committee has already recommended that, in the event of no solution being offered by the management, a national delegate meeting of works officers should be called to consider further action.

● A warning by the General Nursing Council that nurses who go on strike could face disciplinary action is to be referred to the TUC's health services committee.

The executive of the Confederation of Health Service Employees also decided yesterday to seek an urgent meeting with the Registrar of the GNC.

COHSE officials are angry at what they see as a thinly-disguised attempt to dissuade nurses from joining unions. They also believe the GNC acted disgracefully in issuing the statement while there is a disciplinary hearing arising out of industrial action pending.

Customs board sees both unions today

BY GARETH GRIFFITHS, LABOUR STAFF

THE TWO Civil Service unions involved in the customs staff work to rule will decide today whether to continue with their action after a meeting with the Customs and Excise Board to discuss staff cuts.

The Society of Civil and Public Servants and the Civil and Public Services Association will meet before their talks with the board. The unions have been co-operating over the work to rule which started last Friday and was originally planned to last a fortnight.

Miss Judy McKnight, the SCPS national officer for the Customs section, said the union had postponed making a decision until after talks with the board. The unions want more information about planned cuts.

They had said after a meeting on Wednesday with Sir Geoffrey Howe, Chancellor, that the Government was prepared to scale down proposed cuts in the 28,000 Customs and Excise staff.

● A strike by nearly 500 staff at 18 inner London magistrates courts is planned for about a fortnight's time. The strike call by the CPSA and SCPS follows the collapse of pay talks between the unions and the committee of London magistrates on Wednesday night.

Both unions yesterday confirmed the strike action would be official. Mr. Alastair Graham, deputy general secretary of CPSA, said the courts would quickly grind to a halt. They would be able to continue initially without the back up administrative staff but summonses would not be issued, fines uncollected and referrals to higher courts made more difficult.

The unions are claiming parity with Civil Service pay awards of 20 to 30 per cent. They have been offered 9.4 per cent plus a reference to the Clegg Commission on comparability.

The offer is similar to that offered administrative staff in courts outside London, who belong to the Association of Magisterial Officers. The AMO wants a pay deal worth 20 to 25 per cent and a restructuring of salaries.

TUC backs fight to save Shotton

BY OUR LABOUR EDITOR

THE TUC has pledged to support steelworkers fighting British Steel Corporation plans to run down the Shotton plant in North Wales.

Mr. Bill Sirs, chairman of the TUC steel committee, told a workers' delegation which had travelled to London to lobby union leaders that any attempt by the BSC to close down the works, by diverting orders for example, would be opposed.

He said the steel committee expected to make a decision in October on its response to the plans for Shotton and Corby, the other big threatened plant.

Meanwhile, he would ask the corporation to meet the unions and the Shotton workers. The proposals put forward for Shotton went far beyond those advanced by the former BSC chairman, Sir Monty Finniston, in 1973.

A shutdown at Shotton on the scale proposed would put up to 10,000 people out of work. This was much higher than previous estimates.

The steel committee had one of its regular monthly meetings with the corporation yesterday. Plant closures were not discussed, in spite of the delegation's attempt to have the issue raised.

Union meetings at Shotton this week showed that most of the workers wanted to resist closure, rather than accept possibly attractive redundancy terms.

European computer sales 'will reach £2.9bn'

FINANCIAL TIMES REPORTER

SALES of small business computers in Europe will reach £2.9bn by 1988, up from £680m in 1978, according to a report by Frost and Sullivan, the U.S. consultants.

The UK's share of this market will be roughly the same as at present—at 16 per cent, behind France's 19 per cent and West Germany's 26 per cent.

Sales in the UK are expected to grow from £111m last year to £230m in 1983 and to £471m in 1988. West German sales for 1988 are forecast at £758m and French at £580m.

The report divided small business computers—defined as machines costing less than £70,000—into three categories: the first ranging from "extended typewriters" to "advanced desk calculators"; the second, single or multi-station disc computers; the third, larger office systems costing between £35,000 and £70,000.

The first of these categories is forecast to grow from 1978 annual European sales of £145m to 1988 sales of £515m. The second should rise over the same period from £220m to £715m, while the third should rise from £282m to £950m.

The report notes that "somewhat disturbingly, companies dedicated to the small business systems market must either be small enough to pursue a narrow-niche marketing strategy or else sufficiently large to become a multi-national supplier, usually with products in two of the three price categories."

Small Business Computer Market in Europe: Frost and Sullivan, 104-112, Marylebone Lane, London, W1.

Heseltine's adviser

MR. MICHAEL HESELTINE, Environment Secretary, is to appoint a special adviser from private industry to guide him on housing matters.

Mr. Tom Baron, chairman and managing director of Christian Salvesen (Properties) which builds houses under the name of Wellmar is to join Mr. Heseltine's department from October 1. The appointment to run for six months.

Mr. Baron, secretary of the Volume Housebuilders Study Group, formerly owned Wellmar, which was taken over by Christian Salvesen.

Yellow Pages contract is valued at £345m

BY ELAINE WILLIAMS

GENERAL TELEPHONE Directory, a subsidiary of the U.S. General Telephone and Electronics, which last week won part of the British Yellow Pages advertising contracts, estimates the deal to be worth £345m.

Mr. Theodore Brophy, GTE chairman and chief executive, has said that the six year contract for directory advertising is the biggest single contract its subsidiary has received.

GTD will gain about 40 per cent of the present advertising sales in the UK when the contract becomes effective in 1981. This will be a major part of GTD's international operations.

The remaining portion of the Yellow Pages contract is shared between another U.S. company, ITT, and the Thomson Organisation.

ITT's contract will last for nine years and will represent more of the UK advertising sales market than GTD. Thomson, which previously handled the entire Yellow Pages advertising, has only a three-year agreement with the Post Office.

Takeovers rise slightly to 136 in April-June

BY RAYMOND MAUGHAN

A TOTAL of 136 companies were taken over in the April-June period this year for a total cost of £260m, compared with 134 companies acquired for £240m, in the previous three months, according to Trade and Industry, the Government journal.

As in the first quarter, there were no mergers in the second quarter and a substantial rise in spending on independent companies was partly offset by a steep fall in purchases of subsidiaries by £10m to £24m.

The journal confirms a substantial slackening from the takeover spree recorded in the final stages of 1978 when acquisition activity was at its highest since 1973.

There were 157 acquisitions in the fourth quarter of 1978, against a quarterly average of 121 takeovers in 1977.

There were five acquisitions of more than £10m in the second quarter. In the largest, Lonrho acquired Scottish and Universal Investments for £47.3m.

In the other four, Norcros acquired H. and R. Johnson-Richards Tiles for £34.5m, BAT Industries acquired Argos Distributors for £31.5m, Associated Communications Corporation bought Intereuropean Property Holdings for £13.5m and Comet Radiovision Services paid £12.4m for Caledonian Holdings.

The 19 largest deals, accounting for 14 per cent of the total number, were for sums over £2m and comprised 71 per cent of the total takeover expenditure during the period.

The average cost of acquisitions was £1.9m, slightly lower than in 1978 but somewhat higher than the average for the first quarter this year.

Isle of Man Post Office shows profit

ANOTHER SUCCESSFUL year of business is reported by the Isle of Man Post Office in its annual report for the year ending March 31. But it warns that before the end of this year, it will have to increase postal rates. They have been unchanged since 1976 and are now the lowest in Europe.

The accounts show a profit of £1,137,990 made up of £961,720 from the philatelic bureau, £7,030 on personal services and £169,240 investment income. Of the profits, £40,000 has been paid to the Manx Government.

Ceramics safety call

BY ELAINE WILLIAMS

THE CERAMICS industry needs to make a concerted effort to improve safety, says the Health and Safety Executive in its latest report.

The HSE calls for a "really effective onslaught on those practices and problems which still lead to accidents and ill health."

Many of the 60,000 workers in the industry face health risks from lead and silica dust. The HSE wants the industry to find suitable substitutes. It has been the introduction of control measures which has reduced the health risk from lead and silica —not a limit to their use.

The report is critical of the industry's past record in the field of health and safety. It describes it as doing little more than the legal minimum.

Many pottery companies and suppliers of machinery and materials have not yet understood their new fundamental responsibilities under the 1974 Health and Safety at Work Act, says the HSE.

The report warns that increasing mechanisation in the ceramics industry could lead to a greater number of accidents. It stresses that machinery manufacturers had a legal responsibility to design out hazards.

Second Pilkington strike

BY OUR LABOUR STAFF

SHOP STEWARDS and national union officers representing 8,000 process workers at Pilkington, Britain's largest flat glass manufacturer, decided yesterday to impose a further one-day strike on August 21 at the company in a dispute over pay.

The workforce, which is represented by the General and Municipal Workers' Union, struck for 24 hours earlier this week in protest at proposed basic pay rises of about 12 per cent in a package worth 15 per cent overall.

● Scientific, technical and professional engineering staff at ICI followed the company's manual workers yesterday in accepting pay rises of 12-18 per cent on salaries.

The 6,200 staff in scientific and technical grades are represented by the Association of Scientific, Technical and Managerial Staffs and the 1,900 engineers by ASTMS and TASS, the white-collar section of the Amalgamated Union of Engineering Workers.

Tornado 'central' to UK air defence plans

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE ROYAL AIR FORCE is fully committed to the specialist air defence variant of the Tornado multi-role combat aircraft. There is no Government intention of cancelling plans to buy 165 of these aircraft, costing £1.8bn.

This was made clear yesterday at the roll-out at British Aerospace's Warton, Lancs, airfield of the first prototype of the ADV Tornado. Air Marshal Sir John Nicholls Vice-Chief of the Air Staff, denied recent reports in the U.S. that cancellation of the ADV was likely to be discussed soon in Anglo-U.S. talks in Washington.

"The ADV Tornado is central to our plans for the future air defence of Britain and NATO's western seaboard," said Sir John.

"We made our choice several years ago in 1975, when we evaluated every available type of aircraft. We see no reason to change that choice now."

A total of 809 Tornado aircraft is planned for the three countries involved in the programme. The RAF will be taking 385 (including 165 of the ADV), 324 will go to Western Germany and 100 to Italy, for a total programme cost of about £7.6bn.

Of these aircraft, 644 will be of the basic version, each costing £9m (about £5.8bn in all) while the other 165 will be the ADVs, costing £10.7m each (about £1.8bn in all).

So far, production contracts for 314 of the basic Tornados have been signed by the three governments and production is now well under way in the three countries. The initial production contract for the ADV Tornado is expected to be signed next year, with deliveries of this version of the aircraft for the RAF starting in the 1980s.

The ADV (which will be called F-2 by the RAF when in service) is a bigger version than the basic aircraft. It has a new radar and air-to-air missiles designed to intercept enemy bombers approaching UK and NATO airspace by the back door far over the North Atlantic. The air defence of the European Western seaboard is allocated by NATO to the RAF.

In recent years a powerful American aviation lobby has been trying to undermine the Tornado programme and get Europe, including the RAF, to buy instead U.S. combat aircraft, such as the McDonnell Douglas F-15.

The latest suggestion that such cancellation was a possible topic for discussion was published only this week in the U.S. journal Aviation Week.

The Vice-Chief of the Air Staff dismissed that suggestion yesterday. But there is no doubt that between now and the introduction of the ADV Tornado the UK's air defence capability will be very weak as a result of a long succession of cuts in defence spending.

To correct that weakness, the RAF may be obliged to buy a small quantity of some other type of combat aircraft, such as Phantoms or even F-15s. These options are now being studied, but no decisions have yet been taken and may not be for some time.

Such a purchase may be a topic for discussion when Mr. Geoffrey Pattie, the Minister for the RAF, goes to Washington for defence talks in October. But it was made clear yesterday that he will not be discussing the cancellation of any part of the Tornado programme.

Bank dispute

By Our Labour Staff

MEMBERS of the Banking, Insurance and Finance Union are due to begin industrial action on Monday at F C Finance, a subsidiary of the Co-operative Bank, in a pay dispute.

The union said yesterday that the dispute had been provoked by the bank's insistence that the union must accept a non-graded job evaluation scheme for managerial and field staff. The union says the scheme would prevent it from making proper market comparisons on pay.

Miss Ivy Cameron, union assistant secretary, said yesterday that the bank had been prepared to go to arbitration on all salary and related issues but only on its terms.

London weighting up

FINANCIAL TIMES REPORTER

IMPROVEMENTS in London weightings have been negotiated by the National and Local Government Officers Association for its 110,000 local government workers in the London area.

Back-dated to July 1 this year, London area allowances will be increased as follows: Inner London: up £225 a year to £726. Outer London: up £69 to £390. Inner fringe allowance: up £42 to £237. Outer fringe allowance: up £30 to £159.

The new amounts negotiated through the National Joint Council for Local Authorities, Administrative, Professional, Technical and Clerical Staff, were recommended at a meeting on August 7.

A commitment was set up to review all aspects of London weighting, including boundary anomalies and the payments to staff under 18, in time for next year's negotiations.

Chemists' pay formula agreed

A PAY formula was agreed yesterday between NHS retail chemists' representatives and Dr. Gerard Vaughan, Health Minister.

The Minister told representatives of the Pharmaceutical Services Negotiating Committee that the Government was anxious to co-operate with pharmacists.

Dr. Vaughan said the formula, details of which are yet to be worked out, would go a long way to restore comparability with other health professionals.

Mr. Alan Smith, chief executive of the committee said later that he was pleased with the offer.

MANAGEMENT

EDITED BY CHRISTOPHER LORENZ

John Moore looks at why a British insurance broker is pooling its resources with the world's biggest broker

How Bowring is preparing for the year 2000

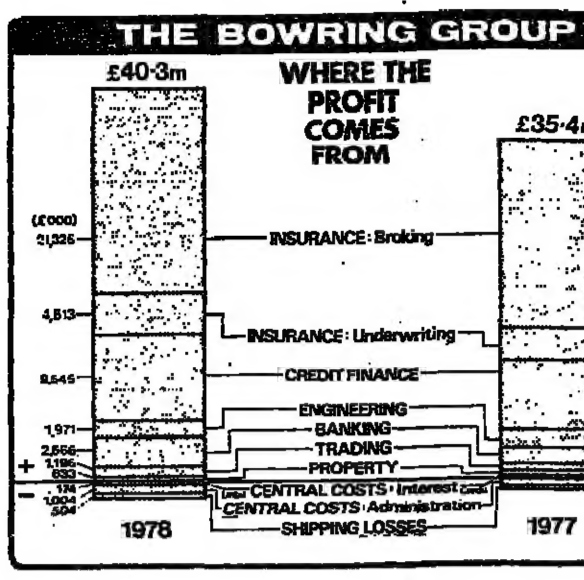
SELDOM HAS a series of discussions between two companies made such a profound impact on an industry or commercial sector as those between C. T. Bowring (Insurance) Holdings, part of the Bowring group, and Marsh and McLennan Companies of the U.S., the world's largest insurance broker.

The talks, begun a year ago last June, aimed at linking the resources of the two international insurance broking giants, with both parties pooling their respective profits in a scheme, the details of which have yet to be revealed. Under the arrangement no conventional merger is planned.

When Marsh and Bowring unveiled their plans last September the transatlantic insurance broking community was stunned by the size of the deal, and what it would mean in money terms once the two groups had formally joined forces.

Hugh Routledge

Peter Bowring and Gill Cooke (right) admired for their nerve



The two companies would be combining broking commissions of around $550m on insurance premiums—enough to fuel a major insurance company. More startling is that the volume of the premiums that would pass through the new formal link would represent more than the entire premium income flowing into Lloyd's of London itself.

The deal spawned many imitators no doubt motivated by a fear of becoming overshadowed by the Bowring-Marsh titan, and by old-fashioned greed, when the possibilities of such a scheme were realised.

Since the announcement by Bowring and Marsh of the outlined plan little has been heard of the practical details. Even now nothing is in a form which can yet be presented to the shareholders of the two groups for their approval and is not likely to be for some months to come.

The only outward and visible sign that anything has been happening at all has been the co-sponsoring by Marsh and McLennan and Bowring of the first transglobe polar expedition.

Marsh has produced a booklet giving all its subsidiary relationships, equity affiliations and joint ventures, showing their aggregate financial contribution to Marsh's prosperity, under the general heading, "the Marsh and McLennan family." Significantly, C. T. Bowring (Insurance) Holdings and the Bowring underwriting company are both included.

But behind the scenes a major upheaval is taking place within the Bowring group, one of the most sober of City family companies.

At the centre of this activity is Ivor Binney, the 49-year-old chairman and chief executive of C. T. Bowring (Insurance) Holdings, the hub of the group's insurance operations. He is a main Board director of the Bowring group and a member of the 16-strong ruling committee of Lloyd's of London.

He approached Marsh and McLennan in June 1978 and since last September, when agreement was reached, has been involved in the thrashing out of the international legal, tax, and regulatory problems behind the deal.

Exploratory

Bowring's rationale behind its move towards Marsh dates from some five years earlier. It came to the conclusion then that by the year 2000 there would be about half a dozen major international insurance brokers in the world. If it wanted to be one of them it could not do it alone, because more than 50 per cent of the world's insurance premiums are generated in the U.S. market. What it needed was an association with a U.S. broker which was closely involved with that large domestic market.

Although exploratory talks had opened up about that time with Marsh these talks had come to nothing because of the wave of problems that had been created elsewhere in the group by the UK recession.

What triggered Bowring's move in 1978 was Marsh's attempt to get closer to Bland Payne, the UK broker in which Marsh held a 20 per cent stake and which was later to merge with Sedgwick Forbes, another major broker.

The approach to Bland Payne by Marsh did not work out, and was followed by Marsh's bid for the British insurance broker, Wigham Poland, which was aborted by the Lloyd's of London controversial 20 per cent ruling. This prevented an insurance broker outside the Lloyd's market from holding more than 20 per cent of an approved Lloyd's broker.

It was then Bowring moved in, ostensibly on the offensive but largely for defensive reasons.

Mr. Binney made two proposals. The two groups could join forces through the pooling of profits and the co-ordination of insurance operations with no conventional merger taking place; or they could combine through the establishment of a joint company to operate whenever there was a call for Marsh and Bowring to work together. Marsh chose the former plan.

But what Mr. Binney and *Bowring were looking for in all* this was the fulfilment of three *main aims: irrevocability, or no* going back on the deal through the use of a cancellation clause in the agreement; equal voice in management; and the opportunity for Bowring to participate in grass roots business in the U.S.

The first two aims were fundamental to the success of the operation. A casual arrangement could not work towards achieving the goal that both groups had set themselves—to be the largest broking concern—to service and attract some of the largest international insurance accounts.

The principle of equal voice in management was an important point to establish. Marsh and McLennan's broking incomes are more than three times the size of Bowring's. Marsh ranks as number one in the international league of *publicly quoted brokers, in terms* of broking commissions, while Bowring is in seventh place.

"It would have been so much easier if we were of equal size but nevertheless, although they were bigger than we were, they were prepared to give us an equal say in the management," said Mr. Binney.

Since then an advisory committee has been set up between the two groups consisting of two representatives from Bowring and two from Marsh and McLennan. It meets once a month, alternating its venues *between London and New York,* to review problems and determine how *the placing of* the insurance business should be re-organised.

Although Bowring's business relationship with Marsh dates back to 1907, the new formal arrangement between the two concerns has placed Bowring under tremendous pressure. New business has been flooding into the group as Marsh has switched large accounts, which it had previously placed with other London insurance brokers, to its new partner.

Bowring has increased its broking staff by 10 per cent this year and in the process has had to adopt an aggressive approach in securing new staff to service the large accounts.

Buying people

"It is not traditional in Bowring to go out and buy people," *says Mr. Binney, "but when you* get growth of this magnitude you simply have to; many of them have been handling those accounts now coming to us, when they were placed with other firms."

Group expenses are climbing while the new business is being absorbed and there is not likely to be any appreciable benefit of the jump in business volumes until next year.

Controlling group operations at the centre of the 175 year-old Bowring empire, whose range of activities cover merchant banking, credit finance, shipping, insurance, plant hire, retail shops and other trading interests, is Gilbert Cooke, managing director since 1976 and the group chairman, Peter Bowring.

Mr. Cooke, a chartered accountant and a former managing director of the Bowmaker credit finance activities, stresses that each operating subsidiary has a large degree of autonomy. It is only in the areas of resources, acquisitions or merger policies, large items of capital expenditure, that the central management becomes deeply involved in the affairs of the subsidiary.

Although the two top executives have no background in the group's main earner—insurance—they argue that they have a *degree of objectivity,* and a greater width of general business experience, that perhaps the insurance specialists do not possess.

Mr. Cooke joined Bowring when the group took over Bowmaker, the credit finance group, in 1969 after a tussle with First National Finance Corporation.

The acquisition was part of an ambitious Bowring plan to create a financial services group which would allow a cross-fertilisation of business between the group's various interests. Insurance broking clients could avail themselves of the facilities offered by Bowmaker, and later by Singer and Friedlander, the merchant bank which was acquired in a £25m agreed bid in 1971.

The cross fertilisation concept proved a difficult plan to implement. The two major acquisi*tions were followed by the re*cession of 1973 and 1974. Singer and Friedlander's profits slumped as bad debts piled up, new issue demand fell away, and borrowing demand collapsed. Bowmaker moved into a loss as interest rates climbed and had to seek help from the *clearing bank "lifeboat."* But since then recovery in these activities has been achieved.

The insurance community admired the nerve Bowring displayed in the past year in securing its American deal. Although there were many insurance professionals who argued that a unit of operation of the size of Marsh and Bowring was inappropriate in a service industry.

What Bowring is seeking to prove is that its deal with Marsh can work effectively, and efficiently. For the moment the defensive advantages of such an arrangement are very apparent.

A raw deal for the disabled

Work and Disability 1977, by Mary Greaves and Bert Massie. The Disabled Living Foundation. 346 Kensington High *Street, London W14,* price £2.50.

TODAY, mainly through coverage in the media there is more awareness than ever in Britain of the disabled section of the population. A leading lobbyist for work opportunities for disabled people is Mary Greaves *OBE.* This severely handicapped lady has herself earned university degrees and forged a career in the administrative side of the civil service.

In 1968 she travelled throughout Britain researching her first report on Work and Disability, which gave recommendations for action to further the possibilities for severely handicapped people to have equal opportunities as able bodied people of the same abilities.

Work and Disability 1977, written by Mary Greaves and Bert Massie, also a severely handicapped person who is a sociologist and economist working as an executive at RADAR (Royal Society For Disability and Rehabilitation), is an update of their 1968 book. The new book is in no way inflammatory but it is disturbing, reading between the lines, to note that the recommendations of the earlier report still remain largely unfulfilled.

Businessmen have often been heard to admit that they are not familiar with the disability scene. Reading this book should remedy this. Call it, if you like, "What Everyone Would Like to Know About Work and Disability and Hasn't Dared To Ask."

The term disabled covers both mentally and physically handicapped people. It includes those congenitally disabled and those affected by ensuing illness *or accident. At present there* are about 75,000 registered disabled people in the country compared with 64,000 in 1968, when the original report was published. The total number of disabled employees today is estimated to be about 400,000 compared with 520,000 in 1968. Over 12,500 disabled people are employed in sheltered workshops, of which more than 8,000 work for Remploy, a non-profit making company established in 1946.

Unfortunately, today, there is still a widespread attitude that disabled people should be grateful for any job.

Training and higher education are vital to the disabled. Untrained able bodied people can compensate with brawn—*not so handicapped people.* There is an urgent need for a rehabilitation and assessment centre for disabled professionals, the book argues. There are people in this country who have been officially classified as unemployable who are now in fact gainfully and happily employed. To avoid such errors and ensure that disabled people are employed to their full potential, it is essential that competent facilities are provided for regular assessment and re-assessment. Teams of specialists are wanted for this task.

The authors call for wider publicity to be given to those aids and appliances which help disabled people work better, so that all connected with the welfare of disabled staff should know about them. The Disablement Resettlement Officers of the Employment Services Agency are insufficiently informed about what is available, and the supplying of aids is hindered by red tape. It would also be beneficial, says the book, if the Institute of Personnel Management would include handling handicapped staff in their training courses, which they do not do at present.

Government grants for expenditure on aids are available, but more flexibility is needed. *If* disabled people have an electric wheelchair at home, the authorities are reluctant to give them a second one at work. This *means a dilemma of choosing* between the facility at work or home. Within the computer industry, there has been some recruitment of disabled people, but far more advantage needs to be taken of the new technology which can be operated by disabled people. It is, moreover, *shocking to learn that* there are no disabled people employed in the administration of the publicly financed Remploy Company, say the authors.

This painstakingly compiled report covers the field of work and disability in a comprehensive way. The authors pinpoint all those desirable actions that need to be taken, and address them to the business and Government organisations that are in a position to implement them. It is fervently to be hoped that the report, second-time round, will be heeded.

Henry Mara

Technical News

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● METALWORKING

Alloyed cutters for the tough jobs

SWISS hardmetal group, Stellram S.A. of Nyon, is manufacturing ruthenium-alloyed cutting inserts under licence from Inco Europe. This is the second company to announce that it is producing the new class of sintered carbide developed by Inco. The other, Higher Speed Metals of Sheffield, reports remarkable results with the new formulation.

The carbides, which improve the performance of throw-away and regrindable cutting tool tips by factors ranging from 50-300 per cent, were developed at Inco's European Research and Development Centre, Birmingham. It was discovered that the inclusion of a small quantity of ruthenium (a precious metal of the platinum group) in the steel-cutting grades of sintered carbide considerably enhanced the cutting performance and extended tool life.

However, because it is a completely alloyed constituent rather than a surface layer, the toughening effect of ruthenium is not confined to the exterior of the carbide, making it ideal for brazed-on regrindable tools as well as indexed throwaways.

During intensive research in Stellram's machining laboratory, ruthenium type inserts continued cutting for 50-100 per cent longer than equivalent non-ruthenium tips. But under practical conditions the improvements have turned out to be even greater. Face milling of giant cast steel turbine casings in F. H. Lloyd's Wednesbury machine shop showed a 200 per cent improvement over the previous best carbide, while at Colchester Lathe the thread whirling of lead screws using clamped ruthenium tips has resulted in 50 per cent greater output and a 60 per cent increase in tool life. At Wilkins and Mitchell, Darlaston, where massive flame-cut bolsters were machined, the metal removed by each ruthenium type insert increased by 300 per cent and machining time was halved.

Ruthenium-containing carbide tips are ideal for the tough jobs which include milling, and interrupted turning, especially at high speeds and substantial rates of metal removal.

One of the advantages of the development—the "regrindability" of ruthenium tips—still has to be exploited. The properties of this particular carbide are not skin deep, they are retained even *after* regrinding.

Inco Europe, Thames House, Millbank, London SW1P 4QF. 01-834 3888.

Using hydraulics

MODERN production machine tools make wide use of hydraulic equipment for many important applications. But, the Machine Tool Industry Research Association points out, for hydraulics to be a success, co-operation between the machine tool builder and the makers of the hydraulics units is essential at all stages.

To underline its point, MTIRA is to repeat a seminar it arranged for March in co-operation with AHEM, the Asso*ciation of Hydraulic Equipment* Manufacturers. The new event is for October 31 and will take place at MTIRA's Macclesfield headquarters.

Further from MTIRA, Hulley Road, Macclesfield, Cheshire. 0625 25421.

● ELECTRONICS

Power supply centres

THOSE MANUFACTURING such equipment as visual display terminals, data printers, copiers and microprocessor based systems can obtain from Weir Electronics tailored switched mode power supply units, with particular cost effectiveness in production runs of more than 1,000.

The design is at its best for *application to multi-output* supplies delivering up to 180 watts of total power and the company is able to offer considerable flexibility in the number of output rails and in their voltage and current ratings. For example, combinations of output voltages such as +5, +12, −12, −5 and +24 volts are easily achieved with current ratings of several amperes per channel, provided *that the total power is less than* 180 watts.

● MATERIALS

Warm use for waste newsprint

TRADITIONAL free bed-linen for tramps has been layers of newspapers and choice of this material makes good sense to Diversified Insulation Company, 4 Telford Square, Houston Industrial Estate, Livingston, West Lothian, Scotland, which buys in graded waste paper—mostly newsprint—to mix with dry borate derivatives, and produce a highly effective insulator.

Scientists in the U.S. first looked at newsprint about 40 years ago to see if fire risk could be overcome with a view to using it for loft insulation *where there would be no problem* of it getting wet.

Suitable fire-retardant chemicals (borate derivatives) were already available and proved to be most effective when applied to finely shredded paper—an added benefit was that the chemical also made the material repellent to vermin. Resultant product looked like a grey, loose-textured cotton wool, not unlike the stuffing in a Jiffy bag.

Responsible manufacturers kept to the borate formulations which are successfully used today and, anxious to safeguard their business reputations, they formed the Cellulose Insulation Manufacturers Association (CIMA), pressing federal *agencies* to draw up with them clearly defined manufacturing standards and requirements.

Borate treated fibre came to *Britain in 1978 and Diversified* Insulation (a UK company backed by the Scottish Development Agency) makes Shelter Shield under licence from America — its product has already been used to insulate over 30,000 local authority homes in Scotland.

The company believes that cellulose fibre insulation will, over the coming years, make a valuable, cheap and efficient contribution to the nation's energy conservation programme.

Friends of the Earth should also be reassured—the product proves to be an ideal solution for recycling a material which would otherwise be burned or buried.

Better fly fishing

A PLAITED pure silk fly line has just been shown at the Bowood Game Fair by Anglo American Field Sports, 6 Wardour Lodge, Rise Road, Sunningdale, Berkshire (0990 20549).

Available in sizes AFTM 4 to 9, the new "Heron" line is said to be extremely supple, giving close loops, perfect turnover and light landing.

Secret advantage of the line is said to be in a new dressing which makes it float high on top of the water, instead of in the film. Pick up is therefore effortless, striking on a long line is swift and positive, and roll casting becomes easy.

As the dressing is completely stable the line requires no special maintenance and can be left on the reels, never becoming tacky.

● SEMINARS

Finishing without oil

PAINT manufacturer Sonneborn and Rieck, Jaxa Works, Peregrine Road, Hainault, Ilford, Essex (01-500 0251), is to hold a one-day seminar on "*Finishing Without Oil*" on September 12 close to the factory at the Bald Hind Hotel, Chigwell.

Addressing the seminar will be representatives of the DoE and Furniture Industry Research Association, and papers *to be read will include* "Water Thinnable Finishes", "High Solids Coatings" and "Powder Coatings," with reference to finishing systems for metal and plastics as well as for wood.

Additional subjects in the field of wood finishing will be "Paper as an Alternative" and "Developments in Adhesives."

● PROCESSING

Light sorts limestone

FIRST PHOTOMETRIC sorter to be installed in Finland and the first for a limestone application worldwide, a Model 16 by Ore Sorters (Canada) is being installed for Partek, the largest vertically integrated *building* materials company in Finland. It has also signed an option for the purchase of two additional machines.

Model 16 is a high-throughput random-stream machine, capable of handling up to 180 tonnes per hour in a wide variety of minerals and other *materials.* Sorting accuracy depends upon several factors, including light reflectance levels between the "accept" and "reject" material, the rock size range and the feed rate. *Plant* availability is high with only minimal routine maintenance required. The size of materials which can be handled ranges between 10 mm and 180 mm.

A number of Model 16 photometric sorters have been installed worldwide for coarse beneficiation of gold, silver, tungsten and other minerals.

Ore sorters is a wholly owned subsidiary of Rio Tinto-Zinc Corporation. Further details from the latter at 6, St. James's Square, London, SW17 4LD. Tel. (01) 930 2399.

Samples milk quickly

THE ADDITION of an automatic sampler to the Mini IRMA infra-red milk analyser means that samples can now be dealt with at rates up to 100 per hour during which time the machine, M100 can determine total solids as well as fat, protein and lactose.

Another version, P40, is able to analyse a wide variety of dairy-related products, in addition to milk, at 40 samples per hour. It can, for example, check product specifications for creams, condensed milks, yoghourts, soft cheeses, ice cream mixes and baby foods.

The machines use an infra-red spectrometer to measure the infra-red absorption of the sample at wavelengths appropriate to various constituents. Accuracies claimed are 0.035 per cent for fat, 0.045 per cent for protein, 0.06 per cent for lactose and 0.2 per cent for total solids.

More from the maker, GP Instrumentation, Whitley Road, Longbenton, Newcastle upon Tyne NE12 9SP (0632 669091).

Control of pollution

BECAUSE OF the nature of domestic sewage it is inevitable that offensive odours will arise during its passage through the sewers and during its treatment at the sewage works, and it is becoming more and more usual to take steps to avoid smells in the vicinity of sewage works, particularly when people live nearby.

Treatment of odours from sewage works, by use of ozone, is discussed in a leaflet about its OdOtrol unit, available from Wallace and Tiernan, Priory Works, Tonbridge, Kent (0732 364481).

Annual Conference of the Institute of Water Pollution Control will be held this year at the Palace Hotel, Torquay, September 11-13, and registration details are available from the General Secretary, 53, London Road, Maidstone, Kent (0622 62034).

● DATA PROCESSING

Compatibles may link

OLIVETTI, THE major international office equipment and data processing supplier, has concluded two agreements with Memorex, plug-compatible peripheral manufacturer competing against IBM in the main.

The announcement stresses close co-operation between the two companies at a time when Olivetti has also been holding talks with another major IBM plug-compatible manufacturer—Amdahl. Furthermore a possible alliance is also being discussed by Amdahl and Memorex, thus presenting the possibility of a powerful IBM alternative line-up.

The agreement between Olivetti and Memorex represents a fundamental opportunity for the exchange of technical knowledge, but was expressed in concrete terms initially in April by the signing of an OEM contract. This stated that Olivetti would assemble and sell the Memorex 1377 video terminal in Italy.

The co-operative arrangement then presented itself in the form of a second agreement which was concluded more recently and outlines plans for Memorex to buy a new high speed thermal printer, which was developed and is now manufactured at Olivetti's factory in Ivrea. The unit can be linked to the Memorex 1377 video terminal and incorporates an interface designed by Memorex at its own research centre in Liège, Belgium. Memorex will then sell the terminal incorporating the Olivetti thermal printer, on a worldwide basis.

There is little doubt that these two contracts are the first steps in what *could be* extensive technological co-operation between these two companies.

Both Amdahl and Memorex are strongly represented in Italy. Amdahl machines are currently favoured by Italsiel, the country's major software house, which is also associated with Olivetti. Memorex is extensively used by Datamont, the country's second major software house, a subsidiary of the chemical manufacturer Montedison.

Amdahl in at Leeds

EXISTING ICL equipment which constitutes the main source of computing power available to Leeds University's computer users is to be replaced by an Amdahl V6.

University plans are to install a campus network based on X-25. The new Amdahl will be joined by a number of smaller satellite machines to be used primarily for interactive computing, linked on a communications network. The general purpose data transmission network will allow any terminal device to access *any computer* in the system. The Computer Board for Universities and Research Councils has already agreed to provide the first satellite which may be installed before the end of the year. The Board has also agreed that the computers should be purchased by competitive tender by all manufacturers.

The University is purchasing a complete system, comprising a 6 Mbyte 470/V6-II processor from Amdahl (UK); ten 317 Mbyte discs on two controllers, four 6250 bpi tapes on two controllers and a 96 port communications controller from Memorex Corporation; and unit record equipment from Coldata. The principal advantage of the Amdahl 470 system is its ability to run standard IBM program products and operating systems. At present the University is considering two possible operating systems, the MTS (Michigan Terminal System) available from the University of Michigan, and IBM's VM (Virtual Machine) system.

Gets at the memory

THE GROWING number of microcomputer designers will be interested in a single package 40 pin device from Intel which will allow micro systems using the company's 8085A and 8088 processors to interface directly to hard discs, fibre optics and other high speed peripheral devices.

This direct memory access (DMA) controller, in two versions working at 3 MHz and 5 MHz, will reduce the time taken for DMA transfers and so reduce the idle time of the central processor during DMA, allowing it to be more efficiently utilised.

Among the facilities offered are block transfer within memory independently of the system microprocessor (particularly useful in word processor applications) and cascade operation to provide more channels).

Intel is at 4 Between Towns Road, Cowley, Oxford, OX4 3NB (0865 771431).

● COMPONENTS

Miniature keyboards on offer

ALPHANUMERIC keyboards measuring only 152 x 63mm made by Apex Microsystems and intended for use in field and portable electronic equipment can now be obtained from Walmore Electronics, 11 Betterton Street, London WC2H 9BS (01-836 1228).

Known as the MKB.01 the keyboard has an ASCII character set and is supplied in ASR33 format, although alternative codes and layouts are easily implemented.

Keyboard marketing is part of an expansion being undertaken by Walmore's displays division in display-related products and the units will complement the gas discharge, liquid crystal and cathode ray tube products already handled.

THE PROPERTY MARKET BY MICHAEL CASSELL

Spitalfields comes alive

OFFICE DEVELOPMENT potential at Spitalfields and Aldgate in the City is steadily rising as the volume of available prime space contracts beyond 1974 levels.

There are few better illustrations of what could be in store for the area than the case of numbers 21 to 24 Widegate Street, a row of offices and one shop tucked away opposite Liverpool Street Station.

In April, the properties, which were then owned by Costain, were on the market and attracting bids around the £90,000-£100,000 mark. Eventually, after clients of Richard Saunders pulled out of the bidding at £130,000-£140,000, the properties were sold for about £150,000. Hillier Parker, Baker Harris Saunders and Peter Galan acted for the new owners.

Now comes news that the same properties are back on the market through Baker Harris Saunders at an asking price of £342,000. There is a scheme for the refurbishment of the four properties, which are for sale individually, or in one block.

Costain would not confirm the original sale price this week, but said it found the new price tag "hard to believe." It added that it did not think contracts on its sale had yet been completed.

The asking price may not, of course, bear any relationship to the eventual selling price, but the example shows that the entire area from just north of the market down to the Minories and across to Brick Lane has a new future.

Piece by piece, the partially derelict area, which has consistently frightened off most occupiers, developers and funds, is being filled in with a mix of small-scale refurbished and new buildings, as well as major office developments.

Some of the last office development permits granted involved plans for locations such as Brushfield Street and Artillery Lane, again opposite Liverpool Street, as well as Alie Street on the edge of Whitechapel.

Costain, which has shown more than a passing interest in the area, is about to start work on two refurbishment schemes involving properties it owns in Middlesex Street and Artillery Lane. Eventually these will provide about 16,000 sq. ft. of accommodation.

Asking rents for new space in the area have now touched £9 a sq ft (for the Central and City Holdings/Royal Insurance 20,500 sq ft development in Blossom Street). Modernised accommodation is fetching about £7.50 a sq ft: Tower Hamlets' rates, as opposed to those in the City, are another bonus for occupiers moving east.

The 6½-acre site fronting the Minories, formerly occupied by British Rail's Haydon Square goods yard and acquired by Wingate Investments, is being developed by Wimpey Property Holdings as the Wingate Centre. Insurance broker Bain Dawes occupies the first phase, which has been sold to Pearl Assurance for £11m. The second phase will be ready for letting in about a year.

To the east of the Wingate Centre is Gardiners Corner, where Wingate is to carry out a £50m office, shopping and leisure centre scheme. About 200,000 sq ft of office space is to be prelet to yet another insurance broker, Sedgwick Forbes Bland Payne.

Wingate also expects to start work soon on a 300,000 sq ft office scheme at Goodmans Yard, to the north of Royal Mint Street on the approach to Tower Hamlets. It seems certain that developments such as these will, as with the Natwest Computer Centre, help push back the boundaries for office users. There is still a long way to go before the area dons a mantle of complete acceptability. But who knows, today Whitechapel and Spitalfields, tomorrow Dockland?

● Marler Estates has sold Marler House comprising 59,000 sq ft of offices in Bournemouth for £3.5m. The purchaser is thought to be Goodwill Nominees, understood to be acting for Middle East interests. The sale price produces an approximate yield of 4.5 per cent, one of the best achieved in the South of England.

Only in May this year the property group paid £120,000 for the 30 per cent minority leasehold in Marler House. It subsequently paid £2m for the freehold. The group says it will use the profits from the deal to fund future investment and developments.

Pearl Asurance has paid £1.65m for Concourse House, the office block which dominates the frontage to Liverpool's Lime Street railway station. The building, which houses tenants like BUPA, Securicor, Unilever and subsidiaries of Land Securities, has a current income of about £126,000 a year and comprises 51,000 sq. ft. of offices and 13 shops. The block was owned by Lime Street Developments, the consortium of companies—Stock Conversion, United Real Estate, Westmoreland Property and Peachey—which developed it ten years ago. They were advised jointly by D. E. & J. Levy and Matthews Goodman & Postlethwaite.

Legal row over £15m centre plan

SAMUEL PROPERTIES is preparing its legal case against St. Albans City and District Council, the authority which has finally scrapped the group's £15m town centre redevelopment scheme just 16 months after first giving it the go-ahead.

A great deal of water has passed under the bridge since then, and the council's decision to bow to public pressure and kill the Samuel plan ends another phase in the long-running controversy over proposals for the ancient city's Chequer Street site.

The Samuel scheme was to be financed by Standard Life and included 266,000 sq ft of shopping space, but it ran into trouble almost at once. Samuel's intended partner, Bryant Holdings, were precluded by the council from tendering for any construction work and, by July, local protests about the plan forced a deferment of the scheme.

Samuel is to sue the council for work already done, damages for misrepresentation, and for breach of agreement. The action could involve as much as £1m.

St. Albans is now back to square one in a debate over the central area which has lasted 14 years.

IN BRIEF

● SavaCentre, the British Home Stores-Sainsbury joint enterprise, will build a £12m shopping complex at Bracknell. The centre will have a floor area of 156,000 sq ft and parking for 735 cars. The developers claim it will be the fifth largest store of its type in the UK.

Land for the scheme has been leased from Bracknell Development Corporation and the project is still subject to approval from the Department of the Environment. Healey and Baker acted for Bracknell throughout.

● Sun Alliance has bought for more than £700,000 the Dimsdale Developments/Livell Developments joint industrial complex at Elmers End in Kent. The 30,450 sq ft development has been fully let. Debenham Tewson and Chinnocks acted for the vendors on the funding and Conway Relf advised Sun Alliance.

● Chubb Fire Security has leased the whole of the 15,500 sq ft of office space recently completed at Sheen Lane Centre, London SW14. The company is paying a rental close to the asking price of £7.50 a sq ft for the space, resulting from a Cruden Developments/Scottish Mutual Life Assurance scheme. Jones Lang Wootton and Weatherall Green and Smith acted for the owners and Folkard and Hayward represented Chubb.

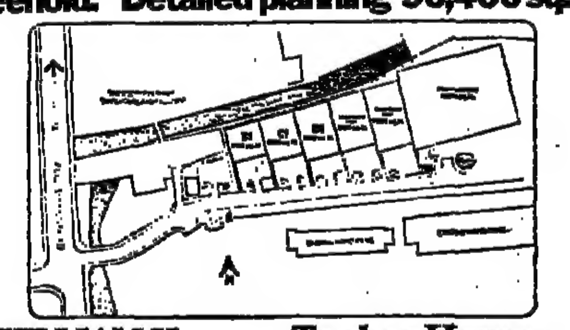
● Haslemere Estates has let the final four units on its Pig Lane, Bishops Stortford, industrial estate. Booker Belmont, a cash-and-carry wholesaling subsidiary of Booker McConnell, has agreed a rent in excess of £40,000 for 24,000 sq ft of the 74,000 sq ft scheme and average rentals of £1.85 a sq ft have been paid by nine other tenants. Joint lettings agents were Derek Wade and Waters of Harlow.

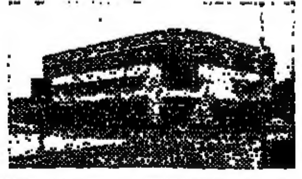
● In a sale and lease back deal, Greenfield Leisure has raised around £700,000 from the sale of the freehold of the Co-operative Wholesale Society department store, King Street, Kilmarnock, to Abbey Property, which was represented by Conrad Ritblat.

● General Accident is understood to have sold 7,000 sq ft of modern offices in High Road, Whetstone, London N20 to the V. A. T. Watkins construction group. The price is thought to have approached £600,000. Watkins is to use the offices as its new headquarters. Taylor Rose acted for General Accident and James Neilson for Watkins.

● National Mutual Life Association, of Australasia, has acquired a long lease on a new 23,500 sq ft retail warehouse on the Loreny Industrial estate, Kilmarnock. National Mutual paid Styles and Wood more than £300,000 for the lease and the initial rent is in excess of £32,000 a year.

● Timber group Magnet and Southerns is understood to have paid around £280,000 for a former factory in Bute Road, Croydon. The group has planning permission to use the 17,000 sq ft former factory for the storage and sale of timber products.





INTERNATIONAL PROPERTY

FOR INVESTMENT

APPOINTMENTS

Managing director for EMI films


Mr. Peter Beale

Mr. Peter Beale becomes managing director of EMI FILMS on August 20. He is currently managing director of Twentieth Century Fox Productions, where his responsibilities have included supervision of all of the company's European productions including "The Rocky Horror Show," "The Omen," "Star Wars," "Julia," "Alien" and "La Luna."

★

Mr. Peter H. Cole has retired from the Board and as chairman of the R. H. COLE GROUP. Mr. Cole, who has been appointed to the office of president of R. H. Cole Ltd, is succeeded as chairman by **Dr. Jack W. Barrett.**

★

In the home practice of MOTT HAY AND ANDERSON, **Mr. Rex A. Vickers** becomes a director and the following associates are appointed: **Mr. Ian H. Elliott, Mr. Peter Garbett, Mr. John D. Hayward** and **Mr. E. Hugh Norie.** In Mott Hay and Anderson International Ltd, **Mr. Reginald T. Masters** is appointed an associate.

★

Mr. J. R. D. Murray retires as secretary of the WHITE FISH AUTHORITY on August 17. He joined the WFA as secretary/solicitor to the Scottish Committee in 1954 and became secretary of the authority in 1973. **Mr. R. Bennett**, technical director, will be appointed deputy chief executive and **Mr. R. A. Davie** becomes secretary. **Mr. J. F. Sinclair**, chief marine surveyor of the Authority, has also retired after 20 years' service. **Mr. P. D. Chaplin** succeeds him.

★

Mr. Leon R. Brodeur has been named president of **Firestone Tire Company (U.S.)**, the domestic tyre division of The Firestone Tire and Rubber Company.

★

Following upon his resignation from the Board of Classic Cinemas, **Mr. Laurie P. Marsh** has tendered his resignation as president and as a member of CINEMATOGRAPH EXHIBITORS' ASSOCIATION. The vice-president, **Mr. Derek M. Cameron**, automatically assumes office as president.

★

Mr. A. E. Woolf has been appointed to the Board of COMBINED ENGLISH STORES GROUP as deputy managing director responsible for the group's multiple specialist shops division. **Mr. K. B. Boocock** succeeds him as managing director of Salisburys Handbags, W. Hinds Holdings and Collingwood The County Jewellers.

★

Mr. Ron Dandrea, group vice-president of the Bank of America, has resigned to become chief financial officer of the GOLDEN HARVEST GROUP, a Hong Kong-based organisation involved in the entertainment industry.

★

Mr. Harold L. Bowman has been appointed president of LOCKHEED ELECTRONICS COMPANY, succeeding **Mr. William A. Stevenson** who is retiring. Mr. Bowman also becomes a corporate vice-president of the parent company, the Lockheed Corporation.

★

Mr. J. D. C. Perceval has been appointed managing director of SAVE AND PROSPER SERVICES, the Save and Prosper Group subsidiary company responsible for liaison with professional advisers.

★

Mr. G. P. Bird, Mr. G. A. Linfield and **Mr. M. A. Barnes** have been appointed directors of A. G. LINFIELD (HOLDINGS) from September 1.

★

Mr. Robert M. Roach has been appointed general manager, petrochemical department of TEXACO in London, in succession to **Mr. John W. Hutcheson**, who retired on July 31 after 38 years' service.

★

Mr. C. J. Treadwell, formerly British ambassador to Oman and earlier to the United Arab Emirates, has been appointed by HILL SAMUEL AND CO. as adviser on Middle East affairs. **Mr. J. L. Carrick** has been appointed deputy chief manager.

★

Mr. Bruce Moseley, company secretary of SCAFFOLDING (GREAT BRITAIN), has been appointed to the Board. His responsibilities for secretarial, financial and administration matters remain unchanged.

CONTRACTS

£2.9m Glasgow office

BALFOUR BEATTY CONSTRUCTION (SCOTLAND) a member of the Balfour Beatty Group of BICC, has been awarded a £2.9m contract by Interland Estates for construction of a new office block in Bath Street, Glasgow. Work involves the erection of a seven storey office block giving 9,700 sq metres of finished accommodation.

★

The Bank of England has ordered two computers worth £2.7m from **INTERNATIONAL COMPUTERS.** The contract comprises two ICL 2960s which will take over all the work at present processed on two 1904s in the accountant's department.

★

H. FAIRWEATHER AND COMPANY (CITY), a member of the Wood Hall Group, has received two contracts worth £2.1m. Regional Properties has placed an order worth £1.6m for the modernisation, air-conditioning and refurbishment of Wellington House, Strand, to form prestigious offices on seven floors, including raising an additional floor over the existing roof. *Fairweather (City) has also won* a £500,000 contract for structural alterations at Upper Grosvenor Street, Culross Street, for Arlington Securities.

★

A £1.8m Central Lancashire new town housing contract has been awarded to **CRUDEN CONSTRUCTION.** The contract is for 145 buildings at the new Ingol village, north of Preston.

★

PEABODY HOLMES has won retro-fit contracts in Sweden, Germany, Holland and Denmark worth over £15m. The Swedish order was for si x20,000 NMh inert gas systems for 250,000-ton tankers operated by the Salen Shipping Company of Stockholm. Another order is from Deutsche Shell Tankers of Hamburg for systems to be fitted to five 110,000-ton tankers. Contracts have also been placed by Verolme Shipyard, Rotterdam, and Odense Shipyard, Denmark.

★

An order worth nearly £1m has been awarded to **MARCONI RADAR SYSTEMS**, a GEC-Marconi Electronics company, from the Department of Industry, as prime contractor for the supply, installation and commissioning of a ship handling trainer to be used in a UK maritime college. Marconi Radar will use its computer generated imagery system, TEPIGEN, allied to a Decca ship simulator bridge, to provide an advanced all-weather, day and night training system.

★

FISHER CONTROLS' control systems division has received an order worth nearly £300,000 for the supply of programmable logic controller and microprocessor equipment to the Royal Aircraft Establishment of the Ministry of Defence. The equipment includes three programmable logic controllers, two March 4 microprocessors, stepping motors, encoders *and electromagnetic counters* together with a console and all necessary control panels.

APPOINTMENTS

COMPANY NOTICES

The Council of Europe Resettlement Fund for National Refugees and Over-Population in Europe

Loan of Flux 500,000,000 7% 1972-87

Holders of the above mentioned loan are herewith informed that the second annual instalment covering an aggregate amount of Flux 50 000,000 has been effected by drawing by lot which took place on 27th July, 1979 in the presence of a notary public.

The bonds ending with the digit "2" have been drawn by lot and become redeemable at par on and after 15th September 1979 at the offices of the following banks:

—Banque Internationale A Luxembourg S.A.—Luxembourg.
—Algemene Bank Nederland N.V.—Amsterdam.
—Berliner Handels- und Frankfurter Bank—Frankfurt/M.
—Banque de l'Indochine et de Suez—Paris.

After the above stated redemption date the amount of bonds remaining outstanding will be Flux 400 000 000.

Banque Internationale A Luxembourg, Société Anonyme.
Luxembourg, 10th August 1979

BANQUE EXTERIEURE D'ALGERIE

US$35,000,000 FLOATING RATE NOTES DUE 1984

In accordance with the provisions of the Reference Agency Agreement between Banque Exterieure d'Algerie and Citibank, N.A., dated as of August 7, 1978, notice is hereby given that the Rate of Interest has been fixed at 11⅞% and that the Coupon Amount payable on February 9th, 1980 against Coupon No. 3 will be US$60.69 and that such amount has been computed on the actual number of days elapsed (184) divided by 360.

By: CITIBANK, N.A., LONDON Reference Agent
August 10, 1979.

CREDIT LYONNAIS
1976/1982 US$75,000,000 FLOATING RATES LOAN

Bondholders of the above loan are hereby informed that coupon No. 8 will be payable as from February 8, 1980, at a price of US$58.46 per coupon, representing 184/360 of an annual interest at 11⅜% covering the period from August 8, 1979 to February 7, 1980 inclusive.

The Fiscal Agent.
CREDIT LYONNAIS, LUXEMBOURG.

THE GREAT NORTHERN TELEGRAPH COMPANY LIMITED
(Incorporated under the Laws of Denmark)

The Great Northern Telegraph Company Limited ("the Company") announces the issue, by way of capitalisation of reserves, of share capital of the Company with a nominal value of D.Kr. 30,240,000 (£1,680,000 at the special exchange rate of D.Kr. 18 - £1 fixed for the Company's share capital by the Company's Articles of Association). Also, it was resolved at the Ordinary General Meeting of the Company held on 17th May, 1979 to issue up to D.Kr. 2,520,000 (£140,000) new shares to be offered for subscription by employees of the Company. Following the D.Kr. 30,240,000 capitalisation issue and the issue of D.Kr. 2,520,000 new shares for subscription by employees, the issued share capital of the Company will be D.Kr. 133,560,000 (£7,420,000).

Shareholders are entitled to receive share capital with a nominal value of D.Kr. 180 (£10) for every D.Kr. 600 (£33.33) (and so in proportion for any other number of shares) of shares held by them, against the presentation of Coupon No. 4.

Authorised Depositaries can obtain from 16th August, 1979 to 31st October, 1979 (between 10.00 a.m. and 2.00 p.m. on weekdays, excluding Saturdays and the Bank Holiday) from Hambros Bank Limited, Stock Office Counter, 4th Floor, 41 Bishopsgate, London EC2P 2AA, a Circular giving full particulars of these arrangements and the related Lodgement Form.

Shareholders failing to lodge the relevant documents by 31st October, 1979 must apply to the Company direct at its Head Office, 28, Kongens Nytorv, DK-1016 Copenhagen K., Denmark.

TAISHO MARINE & FIRE INSURANCE COMPANY LIMITED
NOTICE TO E.D.R. HOLDERS
(One Depositary Share Comprising 10 Ordinary Shares of Yen 50 each)

Hambros Bank Limited announce that COUPON NUMBER 6 representing the dividend on the underlying shares for the year ended 31st March 1979 is payable as from the 10th August, 1979 at the rate of US$0.25 per Depositary Share less Japanese Taxes as applicable, and may be presented for payment at their Stock Office Counter, 41 Bishopsgate, London, E.C.2, or at Kredietbank S.A. Luxembourgeoise, Luxembourg - Ville, Luxembourg.

Coupons presented to Hambros Bank Limited must be listed on the special Listing Forms, which may be obtained at their Stock Office Counter and must be lodged by an Authorised Depositary and unless accompanied by an Inland Revenue Affidavit of non-residence, U.K. Income Tax will be deducted at the rate of £0.15 in the £ on the gross amount of the dividend before deduction of Japanese Withholding Tax.

HAMBROS BANK LIMITED,
10th August, 1979.

BANCO DI ROMA INTERNATIONAL S.A.
LOAN OF US$50,000 000
floating rates—1979/1987/1991
guaranteed by Banco di Roma S.A.

Bondholders are hereby informed that payments relevant to above loan will take place at:
BANKERS TRUST COMPANY,
Corporate Trust Division,
One Bankers Trust Plaza,
NEW YORK N.Y. 10006,
and not as indicated on the back of the bonds at
BANKERS TRUST COMPANY,
280 Park Avenue,
NEW YORK N.Y. 10017.
CREDIT LYONNAIS, LUXEMBOURG.

CLUBS

EXHIBITIONS

ALL ABOUT THE NATIONAL TRUST. An exhibition in the visitors' gallery of the Stock Exchange, open every weekday from 10.30 a.m. to 3 p.m. until September 5th. Admission free.

PUBLIC NOTICES

TAYSIDE REGIONAL COUNCIL
£2m bills issued 9th August 1979 mature 8th November 1979 at a rate of 13-25/64%. Total applications were £17m and there are £7.5m bills outstanding.

ART GALLERIES

LOMBARD

How to survive the recession

BY PETER RIDDELL

THE PROPHETS of gloom and doom are having quite a time at present. Whenever half-a-dozen bankers, economists and politicians are gathered together all they can talk about is the coming recession, the tight profits and liquidity squeeze, the consequent inevitable bankruptcies and the unstoppable decay of manufacturing industry—and all by 1984. Far be it from me to spoil the fun (or rather the self-imposed gloom) but the next 18 months may not be quite as horrific as these warnings imply.

For a start, there are few signs yet of a recession in the UK, in spite of all the fears about the future expressed in last week's CBI quarterly survey. Business activity is quite strong at present; orders and deliveries have picked up sharply since the winter and capacity utilisation is at its highest level for over five years.

Industry's demand for bank loans also remains high and the labour market is still tight, especially in south-eastern England. Moreover, such leading indicators as the level of job advertising show no signs of tailing off. Consumer spending could turn out to be flat in the next few months by comparison with the buoyant trade of the early summer, but the autumn tax rebates and the big uprating of social security benefits in November could boost sales before Christmas.

Nasty squeeze

All this may just delay the onset of the recession. The combination of a tight monetary squeeze, a high exchange rate and the slow growth of world trade should ensure quite a marked downturn in activity by the first half of next year: This could mean quite a nasty squeeze for many companies especially those exporting low margin goods which are sensitive to the exchange rate and groups already vulnerable to competition in the home market from imports.

But manufacturing industry employs less than a third of the toal workforce and its problems do not mean that everyone will suffer. Admittedly, the public sector squeeze may ensure that there will not be so large a pool of alternative jobs in central or local government as in the past and this could boost unemployment. But projections of the numbers out of work have invariably been too high in the past.

My main reservation about all the gloom is that it concentrates far too much on producers; the position of consumers should also be remembered. As Simon and Coates recently pointed out, the impact of the coming recession is likely to bear no resemblance to that of 1974-77 when consumer spending fell by 4 per cent over four years. This time "a combination of North Sea oil, the rise in sterling and the switch in resources away from the public sector will give substantial protection to the consumer."

Under-estimate

For instance, the London Business School has projected a rise in consumer spending in real terms of 2 per cent next year and of 2.7 per cent in 1981. This could be an under-estimate since the Business School assumes that savings will rise in response to faster inflation. But it is possible that the current acceleration of prices is not so much of a shock as the 1974-1975 surge since people have become more accustomed to inflation. If savings turn out to be lower than generally assumed, demand will be higher and the recession could be less severe.

Even the pessimists agree that consumer spending should continue to rise — following an increase of more than 8½ per cent in the past two years. All this can be regarded as merely frittering away the benefits of North Sea oil while the rest of industry declines.

Treasury Ministers understandably stress the dangers if the opportunity is not used to improve the UK's underlying performance and gloomy projections have their uses in persuading spending departments of the need for restraint. But the gloom should not be overdone. The Government's medicine is certainly harsh and it may be very unpleasant for some, notably many manufacturing companies and those made unemployed. But most of us may hardly feel the squeeze, at least until the mid-1980s.

Glory without power

BY BRIAN GROOM

AROUND BRITAIN

LICHFIELD

THE CITY of Lichfield, in Staffordshire, is proud of its long, predominantly ecclesiastical history and of its celebrated three-spired cathedral, "the mother of the Midlands." No one would dispute the grandeur of either.

What is in dispute is the status of modern Lichfield, which, since 1974, has had no local council of its own—an embarrassment and an annoyance to a 25,000-strong city community whose charter dates back to 1543 and county status to 1553.

Lichfield District Council, into which many of the powers of the old city council were subsumed in the reorganisation of local government, has to cater for a much wider area, of 88,000 inhabitants. In all fairness, however, it has not been neglectful of the most critical problem facing the city: how to preserve its ancient character while creating work for its people.

Lichfield needs, like the giant West Midlands conurbation to which it is perilously close, to attract industry. The area's unemployment rate is 5.8 per cent, compared with Birmingham's 5.7 per cent and Wolverhampton's 6.4 per cent.

The city is close to the northern limit of the green belt which surrounds the conurbation, and which is an essential aid in Lichfield's fight to keep the Jekyll of historical beauty apart from the Hyde of modern development.

Mr. Paul Farrow, the district council's deputy director of planning, claims considerable success for Lichfield in this respect. The Eastern Avenue industrial estate has, since the early 1960s, helped both in attracting companies from the Black Country and elsewhere in Britain, and in relocating factories from the older part of the city.

There are still one or two plants which it would be wise to move — a foundry remains in the old sector — but considerable tidying-up has been achieved. Lichfield is relatively unscarred for a place which has undergone transition from a centre for brewing, malting, flax spinning, coach building and paper making, to a city with various modern industries, notably engineering and construction.

"The green belt does not inhibit economic development," says Mr. Farrow. A new 42-acre industrial estate is being built by a private consortium, and among the applicants for a place on it is a large multi-national seeking room for an office development.

Lichfield's success has been achieved mostly with small companies, but the larger combines have not been totally absent. Enots, a hydraulic control equipment company, is part of IMI, while Bound Brook, a metal components manufacturer on the nearby Trent Valley road, belongs to GKN.

Lichfield enjoys several advantages. The migration of a number of people from the Black Country to the cathedral city has led to a high incidence of skilled labour.

Further, it is on the main London to Manchester railway line and is, by road, only 20 minutes from Birmingham's spaghetti junction.

Lichfield also has the safety valve of proximity to Birmingham and Wolverhampton. It is able to accommodate a number of inhabitants for whom it does not need to provide jobs. All these factors have, according to Mr. Farrow, enabled it to achieve a better balance than many green belt communities.

Roger Taylor

Lichfield: preserving the old yet managing to keep abreast of the times

The city is not ungrateful for this, but is unhappy because, while achieving distinction in industrial development, it has suffered the indignity of losing what administrative autonomy it previously had. Lichfield has always been able to take a joke against itself. It was formerly known as the "city of the three Ps"—pubs, parsons and prostitutes—from the days when it was the original home of the Staffordshire Regiment. But many feel that the political situation is beyond a joke.

The old city council had wide-ranging powers. Now the charter trustees—the 15 councillors from the city who sit on the 56-member district council—have no power to levy a rate, to employ staff directly, or to own property. The city's lovely old Guildhall belongs to the district.

Mr. Bob Blewitt, a Lichfield district councillor, is chairman of the Association of Charter Trustees, a body representing many towns which were not only deprived of their old councils in 1974, but were denied the successor parish councils granted to surrounding village communities. He is deeply unhappy about the fate of Lichfield. "We have rates levied directly, in addition to the district rate, for duties supposedly carried out within this city. We should have our own elected council to take charge of it rather than have it disappear into the coffers of the district," he says.

Consultation on planning matters, which the surrounding parish councils have as a right, is granted to Lichfield only as a concession.

But Lichfield, along with other charter trustee towns, is launching an attempt to salvage some of its pride. The guidelines of the 1974 local government reorganisation prevented many towns with more than 20,000 inhabitants, or which made up more than one-fifth the population of their dist from being given a succe parish or town council. the Boundary Commissi parish review, that restric has been altered and Licht and many other towns are ap ing for their own councils.

But even if they are succe ful, things would never be same. Parish council powers far from mighty for a pl which was, between 788 and 8 the seat of an archdioc stretching from the Thames the Humber, and which has be the seat of a bishopric, ap from a period shortly after Norman Conquest, since 6 One wonders what Dr. Johns Lichfield's most famous would have made of it.

Wragg challenge at two meetings

VETERAN trainer Harry Wragg is seldom represented at two meetings in a day, and it could be worth noting that Pat Eddery rides for him at Newmarket this afternoon and again at Lingfield in the evening.

Annabella, who runs in Newmarket's opening juvenile event, the Isleham Maiden Stakes, has made just one appearance to date. Three weeks ago at Newbury th's chestnut filly by Habitat out of the brilliantly speedy Sovereign could make no impression in the Chattis Hill Maiden Stakes.

Her backward appearance was reflected in the market—her odds drifted from an opening show of 3—1 to 7—1—but she is well thought of, and will strip far fitter here.

A half-sister to the Irish Sweeps Derby runner-up, Lucky Sovereign, and that smart performer, Flashy, Annabella could well figure in the finish without, perhaps, being good enough to cope with Prince Diligence. An attractive half-brother by Prince Tenderfoot to X-Data, Prince Diligence ran well on the July course last month, finishing third at six lengths to Durandel in the Chesterfield Stakes.

Whatever their wate with Annabella, Wragg and Eddery look set for a winner of Khaki Kate has probably improved sufficiently since her last race to lift the evening meeting's Candlelight Stakes. Runner-up at four lengths to the extremely useful Rowlandson in York's one-and-a-half-mile Fountains Maiden Stakes on July 14, Khaki Kate will appreciate the easier underfoot conditions than she faced on the Knavesmire.

Half-an-hour after the Candlelight Stakes Rankin looks sure to land the Nightwatch Stakes. Guy Harwood's roan son of Owen Dudley is another improving sort, and he seems to have scared away most of the opposition.

RACING

BY DOMINIC WIGAN

NEWMARKET
2.30—Teeamus
3.00—Prince Diligence***
3.30—Ernel
4.00—Julip*
4.30—Barca Dorata
5.00—Slitherum
5.30—Clooney

LINGFIELD
6.00—Calorosa
6.25—Body Blow
6.50—One Off the Edge
7.20—Icato
7.50—Khaki Kate**
8.20—Rankin

TV/Radio

BBC 1

† Indicates programme in black and white

6.40-7.55 am Open University (Ultra high frequency only). 9.45 Roobarb. 9.50 Jubilee Jackanory. †10.05 Felix the Cat. 10.10 Why Don't You . . . ?. 10.35 Children of the Snow Country. 1.15 pm News. 1.30 How Do You Do? 3.40 Pawn yn ei fro. 4.13 Regional News for England (except London). 4.15 Play School. 4.40 Pixie and Dixie. 4.45 Asterix the Gaul. 5.10 We're Going Places. 5.35 The Wombles.

5.40 News (London and South-East only).
5.55 Nationwide.
6.20 The Golden Fiddle Awards.
6.50 Star Trek.
7.40 It Ain't Half Hot Mum.
8.10 Des O'Connor Tonight.
9.00 News.
9.25 The Hollywood Greats.
10.15 Spike Milligan in Q7 (London and South-East only).
10.45 Regional, National News.
†10.50 The Late Film: "Duck Soup," starring the Marx Brothers.

All Regions as BBC-1 except at the following times:—

Scotland—5.55-6.20 pm Reporting Scotland. 10.15 Beechgrove Garden. 10.45-10.50 Regional, National News.

Wales—1.30-1.45 pm Bys a Bawd. 5.55-6.20 Wales Today. 6.50 Ask the Family. 7.15-8.10 The Wonderful World of Disney. 10.15 Eisteddfod '79. 10.45-10.50 Regional, National News.

Northern Ireland—4.13-4.15 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 10.15 Lifetimes. 10.45-10.50 Regional, National News.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 10.15-10.45 East (Norwich) Variations; Midlands (Birmingham) This is . . Roaring Jelly; North (Leeds) In Conversation; North East (Newcastle) Disappearing Coast; North West (Manchester) Champion Brass; South (Southampton) Ponderosa Country; South West (Plymouth) Steam into Summer; West (Bristol) The Producers.

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
4.50 pm Open University.
6.55 Gardeners' World.
7.20 Mid-Evening News.
7.30 Golf My Way.
8.00 Seven to One.
8.30 Scottish Playbill.
9.00 All Creatures Great and Small.
9.50 Kilvert's Diary.
10.05 Top Crown.
10.30 Brecht and Co.
11.35 Late News.
11.50 Closedown.

BBC-2 Wales only—2.30-4.50 pm Eisteddfod '79, live from the Field.

LONDON

9.30 am The Living Body. 9.45 It's More Life. 10.05 Focus on Soccer. 10.30 The Bubblies. 10.35 The Nature of Things. 11.25 Barney Google and Snuffy Smith cartoon. 11.35 Clapperboard. 12.00 A Handful of Songs. 12.10 pm Once Upon a Time. 12.30 Emmerdale Farm. 1.00 News, plus F.T. Index. 1.20 Thames News. 1.30 Divorce and After. 2.00 Film: "The Battle Of The River Plate." 4.20 The Feathered Serpent. 4.50 Paul. 5.15 The Brady Bunch.

5.45 News.
6.00 Thames News.
6.05 The Wild, Wild World of Animals.
6.30 Get Some In!
7.00 The Krypton Factor.
7.30 Winner Takes All.
8.00 Hawaii Five-O.
9.00 Heartland.
10.00 News.

IBA programmes are subject to interruption because of industrial action

10.30 The Do-Gooders.
†11.15 The Friday Film: "Camp On Blood Island."
12.45 Close: Personal choice with Sydney Tafler.

All IBA Regions as London except at the following times:—

ANGLIA

10.35 am Alright Now 11.00 Beginners Please. 11.25 The Paper Lads. 11.50 The Woozies. 1.25 pm Anglia News. 2.00 Afternoon Film. 5.15 Bailey's Bird. 6.00 About Anglia. 8.00 Chips. 10.30 Frontiers of Discovery. 11.00 Friday Late Film—"The UFO Incident." 12.45 am Men Who Matter.

ATV

10.30 am Captain Nemo and the Underwater City. 10.35 Sesame Street. 11.35 Bailey's Bird. 1.20 pm ATV Newsdesk. 2.00 Movie Matinee. 5.15 Alright Now. 6.00 ATV Today. 10.30 Mary Hartman, Mary Hartman. 11.00 Movie Premiere: "Minstrel Man."

BORDER

10.30 am Alright Now. 11.00 Beginners Please. 11.25 The Paper Lads. 11.50 The Woozies. 1.20 pm Border News. 2.00 Film. 5.15 Gamock Way. 6.00 Lookaround Friday. 6.30 Mind Your Language. 8.00 The Incredible Hulk. 10.30 Summersport. 11.00 Late Film: "Panic on the 5.22." 12.20 am Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News and What's On Where. 2.00 Film. 5.15 Sam. 6.00 Channel News. 6.10 Friends of Man. 6.35 Invasion Road. 10.28 Channel Late News. 10.35 Pastime for the Present. †10.35 Late Night Movie: "The Amorous Prawn." 12.25 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 10.35 Alright Now. 11.00 Southern Report. 11.30 The Paper Lads. 11.55 The Woozies. 1.20 pm Grampian News Headlines. 2.00 Afternoon Film. 5.15 Superbox. 6.00 Grampian Today. 6.10 The Beachcombers. 7.30 The Entertainers. 10.30 Reflections. 10.35 About Turn. 11.05 The Friday Late Night Horror: "Revenge." 12.35 Grampian Late Night Headlines.

GRANADA

10.30 am Sesame Street. 11.25 The Funky Phantom. 11.45 Song Book. 1.20 pm Dick Tracy. 2.00 Friday Matinee. 5.15 The Rolf Harris Show. 6.00 Granada News. 6.05 Two Ladies Of Todmorden. 6.30 The Jetsons. 8.00 Lucan. 10.30 Clapperboard North West. 11.00 The Friday Film: "Nevada Smith."

HTV

10.30 am Alright Now. 11.00 Beginners Please. 11.25 The Paper Lads. 11.50 The Woozies. 1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 2.00 Afternoon Film. 5.15 Sam. 6.00 Report West. 6.15 Report Wales. 8.00 Charlie's Angels. †10.35 The Late Film: "The New Interns."

HTV Cymru/Wales. As HTV General Service except: 10.30 am-12.00 Eisteddfod Genedlaethol 1979. 1.20-1.25 pm Penawdau Newyddion Y Dydd. 3.00 The Royal National Eisteddfod of Wales. 4.00 Sports Special. 4.20-4.50 Adoryn Dychryn. 6.00-6.15 Y Dydd Yn Brifwyl. 10.35 Camera. 11.05 Eisteddfod Genedlaethol 1979. †11.35-12.45 The Late Film: "Intermezzo."

HTV West. As HTV General Service except: 1.25-1.30 pm Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

10.35 am Alright Now. 11.00 Southern Report. 11.25 The Paper Lads. 11.50 The Woozies. 1.25 pm News. 2.00 Afternoon Film. 5.15 The Squirrels. 6.00 Scotland Today—Summer Extra. 6.30 Weir's Way. 8.00 Twist In The Tale. 10.30 Late Call. 10.40 Appointment With Fear: "It"

SOUTHERN

10.30 am Alright Now. 11.00 Southern Report. 11.25 The Paper Lads. 11.50 The Woozies. 1.20 pm Southern News. 2.00 Kum Kum. 2.30 Film. 5.15 Happy Days. 6.00 Day By Day. 6.00 Scene South East (South East Area only). 6.30 The Squirrels. 10.30 Weekend. 10.35 Talking Bikes. 11.05 Southern News Extra. 11.15 The Late Film: "Fat City."

ULSTER

10.30 am Alright Now. 11.00 Southern Report. 11.25 The Paper Lads. 11.50 The Woozies. 1.20 pm Lunchtime. 2.00 Afternoon Film. 4.18 Ulster News Headlines. 5.15 Bygones. 6.00 Ulster Television News. 6.30 Devine Country. 8.00 The Incredible Hulk. 10.30 Friday Night. 10.40 Friday Film: "Island of Terror." 12.15 am Bedtime.

TYNE TEES

9.25 am The Good Word followed by North East News Headlines. 10.30 Alright Now. 11.00 Southern Report. 11.25 The Paper Lads. 11.50 The Woozies. 1.20 pm North East News and Lookaround. 2.00 Afternoon Film. 3.50 Stars On Ice. 5.15 Makin' It. 6.00 Northern Life. 8.00 Miss Tyne Tees Television. 10.30 The Friday Night Film: "Fraulein Doktor." 12.20 am Epilogue.

WESTWARD

10.35 am Alright Now. 11.00 Southern Report. 11.25 The Paper Lads. 11.50 The Woozies. 12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.00 Afternoon Film. 5.15 Sam. 6.00 Westward Diary. 6.35 Time Out. 10.32 Westward Late News. 10.36 Pastimes for the Present. †10.55 Late Night Movie: "The Amorous Prawn." 12.25 am Faith for Life. 12.30 West Country Weather.

YORKSHIRE

10.30 am Daisy, Daisy. 10.45 Taffy. 11.10 Three for the Road. 1.20 pm Calendar News. 2.00 Afternoon Film. 5.15 The Best Disco in Town. 6.00 Calendar (Emley Moor and Belmont editions). 6.35 Calender Summer Sport. 8.00 Survival Special. 10.30 Soap. 11.00 "You Can't Have Everything."

RADIO 1

(S) Stereophonic broadcast.
‡ Medium wave.

5.00 am As Radio 2. 6.00 Andy Peebles. 9.00 Simon Bates. 11.00 Radio 1 Roadshow 12.30 pm Newsbeat. 12.45 Peter Powell. 2.00 Tony Blackburn. 4.31 Kid Jensen. 6.31 Roundtable. 8.00 Mike Read. 9.50 Newsbeat. 10.00 The Friday Rock Show (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Tony Brandon (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young in Zimbabwe Rhodesia (S). 12.30 pm Waggoners' Walk. 12.45 Pete Murray's Open House (S). 2.15 David Hamilton 4.15 Much More Music (S). 5.00 News. 5.05 Waggoners' Walk. 5.20 John Dunn (S). 6.45 Sports Desk. 7.02 Marks in his Diary (S). 7.30 Sports Desk. 7.33 Fiesta de Dorita 8.02 Johnny Arthey conducts the BBC Radio Orchestra (S). 8.45 Friday Night is Music Night (S). 9.55 Sports Desk. 10.02 Victor Silvester Jnr at the Radio 2 Ballroom. 11.02 Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

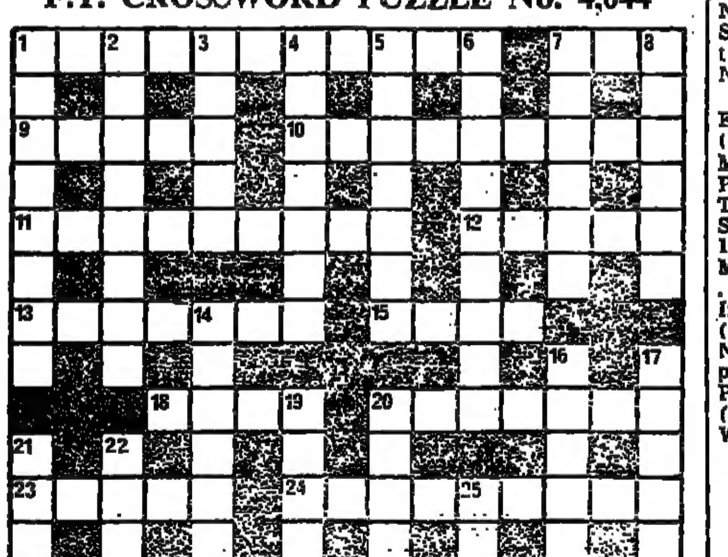
‡6.55 am Weather. 7.00 News. 7.05 Overture, part 1 (S). 8.00 News. 8.05 Overture, part 2 (S). 9.00 News. 9.05 This Week's Composer. Schutz (S). 9.55 BBC Northern Ireland Orchestra (S). 10.40 Carlos Bonell guitar recital, part 1 (S). 11.15 Interval Reading. 11.20 Recital, part 2. 11.55 Midday Concert part 1 (S). 1.00 pm News. 1.05 Playbill (S). 1.20 Midday Concert part 2 (S). 2.00 In Repertory (S). 3.00 Music for Cello and Piano (S). 3.45 The Glazunov Symphonies (S). 4.25 Comparing Notes (S). 5.25 Homeward Bound (S). ‡5.45 News. ‡5.50 Homeward Bound. ‡6.15 At Home. 7.10 Pied Piper (S). 7.30 Proms '79 part 1: Stravinsky (S). 7.55 Letter from La Rochelle by Dominic Gill. 8.15 Proms '79 part 2: Wooldridge, Bartok (S). 9.35 A Musical Journey (S). 10.00 Music Now. 10.45 A Polish Violin Virtuoso (S). 11.55-12.00 News.

VHF Only 6.00-7.00 am and 5.45-7.10 pm Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today including 6.45 Prayer for the Day, 7.00, 8.00 Today's News. 7.30, 8.30 News Headlines, 7.45 Thought for the Day. 8.45 The Enchanted Places. 9.0 News. 9.05 Baker's Dozen. (S). 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 11.45 Morning Story. 11.00 Down Your Way. 11.45 Listen with Mother. 12.00 News. 12.02 pm You and Yours. 12.27 The Enchanting World of Hinge and Bracket (S). 12.55 Weather; programme news. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.05 Afternoon Theatre (S). 4.00 News. 4.05 Buskers. 4.35 Story Time. 5.00 PM: News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Going Places. 7.00 News. 7.05 The Archers. 7.20 Pick of the Week (S). 8.10 Profile. 8.30 When Men and Mountains Meet (S). 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 The Grumbleweeds (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 John Ebdon with the BBC Sound Archives. 11.45 Just Before Midnight. 12.00 News.

F.T. CROSSWORD PUZZLE No. 4,044



ACROSS
1 Different climate producing the IRA (6, 2, 3)
7 Reversible part of overall (3)
9 Sheets taken by railway to pole (5)
10 You can't say this raid isn't cricket (3, 3, 3)
11 Sweetbread ? (4, 3)
12 Pleasure soldier gets from mushrooms (5)
13 Town abroad at home to serf (7)
15 Left individual doing solitary (4)
18 Cry over tiny piano (4)
20 Mean to change single flower (7)
23 Beast is all right with a letter from Greece (5)
24 Ex-007 is freed by Customs (3, 2, 4)
26 Final place for putting native land without experience (4, 5)
27 Job for professor of church music (5)
28 Young lion tamer proficient in judo (3)
29 Clerical flair for tailing roast chicken (7, 4)

DOWN
1 Neat example of adolescent longing (4, 4)
2 Girl joins upper-class friend regularly (8)
3 Information useless to class (5)
4 Month since Pole was given figure (7)
5 Clothing to shock engineers within (7)
6 Combine to cross swords at comprehensive boundary (4, 5)
7 Pub supported by youth leader with title (6)
8 Outlaw put a stop to it they say (6)
14 Part of day spent in aeroplane making uniform (7, 2)
16 Officer has no right to fuss over state of America (8)
17 Policeman abroad upsetting Reg and me (8)
19 Sanctimonious circle never first in the field (7)
20 Merchant of Venice (7)
21 Company took off when beaten (6)
22 Vehicle taken by soldiers to opera (6)
25 Foreign Office copper's made to concentrate (5)

SOLUTION TO PUZZLE No. 4,043

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit Cards. 01-240 5258. Reservations 01-836 3161. ENGLISH NATIONAL OPERA Tonight 5.30 Siegfried: Sat. 4.30 Twilight of the Gods: Wed. next 7.30 The Rhinegold. 104 balcony seats available from 10 am on day of performance.

THEATRES

GARRICK. CC. 01-836 4601. Evgs. 8.00 (sharp) Wed. 3.00. Sat. 5.30 and 8.30. GARETH HUNT in IRA LEVIN'S DEATH TRAP "BEST THRILLER." Dly. Telegraph. "VERY INGENIOUS. VERY FUNNY. VERY EXCITING." Fin. Times.

THEATRES

SAVOY THEATRE. 01-836 8 Credit cards 01-734 4772. "BILL PATERSON . . . one of the rare young lions of British Theatre." WHOSE LIFE IS IT ANYWAY? PLAY OF THE YEAR by Brian Clarke.

هكذا من الأصل

THE ARTS

Covent Garden

La Fille mal gardée

by CLEMENT CRISP

A good ballet brings rewards to dancers as well as to audiences, as *Fille* proved on Wednesday. The National Ballet of Canada, who have been under something of an interpretative cloud thus far this week, put their best feet forward for Ashton's sunny masterpiece, and looked an altogether brighter, happier company.

Leading the performance, Karen Kain and Frank Augustyn brought endearing youth and sweetness of feeling to the lovers. Kain's unaffected way with Lise's mime dream of married joy, the utter sincerity of their reunion when Colas springs from under the sheaves, were moments of irresistible charm. Their joint account of the dances was fleet, assured; there are still moments when greater precision of outline is needed in showing the continuity of the choreography, but the great corn-field duet had the right joyous pulse, and happiness warmed their dancing.

With Peter Schaufuss the role of Alain acquires a novel but entirely valid quality. He shows the poor zany as someone knowing what he should do, and contriving to get it slightly wrong through nerves and a wild enthusiasm for the moment. Splendidly danced—Schaufuss is also to pull off some sort of a double by appearing later as Colas—the part gains from his brilliance of physical utterance, notably in his first solo. There are moments when brightness of temperament cuts through the character, but the compensation is in the impetuosity with which this Alain makes his mistakes.

The company reading is sound; it lacks something in subtlety—and the performance was one in which, if a property could misbehave (cat's-cradle ribbons; flower-pot; broom; cockerel's costume) it damnably did—but it argues Canada's national ballet as an ensemble able to sustain a fine work with honour.

Iain Mitchell and Michael Carter — Leonard Burt

ICA Theatre

Dr. Jekyll and Mr. Hyde

by MICHAEL COVENEY

The full title of Andy Smith's tantalisingly meaningless musical is *The Strange Case of Dr. Jekyll and Mr. Hyde, The True Story*. A cold, dead stage, surrounded by grey drapes, is populated by a winsome, rather lost-looking ballerina and two actors, one of them playing Jekyll, the other his importunate lawyer. Jekyll's man, Poole, and other small parts are also taken by the duo, but most of the 90 minutes is spent doing a sort of *Mahagonny* on the swirling mists and yellow fog of Hyde's underworld.

The lawyer (Iain Mitchell) is listening to Jekyll's last words as received on a crude recording. Three musicians pitch in with some footling background music, which is at least some relief from the awkwardness of the writing. Jekyll holds forth at one point on "the most horrible natural disease which kills of all."

The other actor, Michael Carter, like Mr. Mitchell, is competent but curiously lacking in personality. I am surprised to see that the enterprise, which has many wan stylistic echoes of Ken Campbell's *The Strange Case of Charles Dexter Ward*, is presented by Smith and Goody, who would have done better to have appeared in the show themselves. Mel Smith and Bob Goody have done one good show together but seem to have retired on an Arts Council subsidy. All very sad.

Hull Grundy gift on display

The British Museum has announced that the Hull Grundy gift of Japanese miniature decorative arts is now on permanent display in the King Edward Gallery.

The gift of Professor and Mrs. J. Hull Grundy consists of over 500 items, all but six of which are Japanese. They represent a major addition to the museum's collection of Japanese decorative arts.

Cinema

A touch of clairvoyance

by NIGEL ANDREWS

The China Syndrome (A), Leicester Square Theatre
Edinburgh Film Festival
Rankin' Movie, ICA
Paul Rotha, National Film Theatre

There is nothing like a dose of up-to-the-minute newsworthiness to rejuvenate a dying movie genre. The Hollywood disaster cycle, seen last week staggering towards senescence in *Beyond the Poseidon Adventure*, may now be seen quaffing from the elixir of topicality and looking a firmer, fresher proposition altogether. *The China Syndrome*, in case news of it has not leaked out in your direction, is about a near-fatal accident at a nuclear plant in California: and about the attempts of two television reporters (Jane Fonda and Michael Douglas) to expose the cover-up that follows and to point a warning finger at the dangers of nuclear energy.

This disaster film a thèse not only stars Mr. Douglas but was produced and masterminded by him. Having nursed this project through three changes of screenwriter (Mike Gray, T. S. Cook, James Bridges) and the belated building of an entire new role for the late-signed Jane Fonda, he must claim a touch of genius for making the film seem so fresh and all-of-a-piece. And a touch of macabre clairvoyance for having brought it out in America just two weeks before a real-life, carbon copy nuclear misadventure: the near-meltdown at Harrisburg, Pennsylvania.

The story premise is simple but effective. Fonda and Douglas are filming a Roving Report on nuclear power at a California plant when a nasty tremor shakes them in the visitors' gallery. Their guide dismisses the incident as "routine," but Douglas keeps his camera whirring covertly as panic breaks out in the control room (chiefed by Jack Lemmon). Whisked back for processing and for expert opinion, the film soon reveals that the mishap, far from being routine, was close to being an example of — the "China Syndrome." Which is vernacular for a meltdown disaster in which a hole is burned through the Earth's core, fancifully as far as China (or, for us, Australia) but actually only far enough for it to backfire and shower up a lethal dose of radiation into the air.

How Fonda and Douglas prise a confirmation of the truth from the at-first-guarded Lemmon; how they try to present their findings to a Nuclear Safety Convention; how Lemmon is nearly bumped off for his connivance, in a car crash; and how he escapes from that to "hi-jack" the nuclear plant's control-room, threatening to precipitate disaster unless he is allowed to broadcast a full exposé of the accident on TV. All these you will learn, in addition to receiving from director James Bridges an object lesson in how to put a thriller together with nary a crack in the structure of plausibility or a pinhole in the continuity of suspense.

Jane Fonda, making magic with minimal means as she did in *Klute*, turns her sleuth-reporter role into a serio-comic *tour de force*. Coiffed in siren-red hair and exuding plastic charm, she begins as one of those chatty American newscasting hostesses whose merry quips and toothpaste smiles render down all news into wisecracking trivia. Her growth as a character during the film—by the acquisition of a social conscience and a determination to mine the hard truth from beneath soft-core news releases—runs neck and neck with the shrewdly proliferating complexities of the plot.

The villians of the piece are of course (who else in a film starring Jane Fonda?) the wicked capitalists who own the nuclear plant and try to hush up the scandal in order to protect their licensing application to build a new reactor in another state. The film is rife with tut-tutting about the dangers of laissez-faire capitalism, and with scenes of these nasty tycoon persons scowling across boardroom tables or lowering down from sinister eminences. It's a left-wing equivalent of the Reds-under-the-Beds syndrome, and just as dotty in its alarmist hyperboles. But that reservation aside—and it's a digestible one—*The China Syndrome* makes riveting and persuasive viewing: the best Hollywood thriller in ages.

■

The 33rd Edinburgh Film Festival is about to open, with as promising a line of new movies as it has boasted in recent memory. True to her championing of young American directors in her excellent new book *The Movie Brats* (buy now while stocks last), festival director Lynda Myles has stacked the Edinburgh programme with U.S. movies, including new work from Brian De Palma (*Home Movies*), Martin Scorsese (*American Boy*) and Jonathan Demme (*The Last Embrace*). Special events include a tribute to Nicholas Ray, the Hollywood director who died some weeks ago, a clutch of new films from the cinematically emergent Philippines, and a symposium—including films and discussions—on the theme of Feminism and the Cinema.

The British participation is hearteningly strong. Ridley Scott's Sci-Fi thriller *Alien*, which has been gobbling up box-office records in America, has a special late-night screening, and also present are Kenneth Loach's *Black Jack*, Chris Petit's *Radio On*, Alan Clark's *Scum*, and *The Tempest*, a guaranteeably weird version of Shakespeare's play by Derek (*Sebastiane* and *Jubilee*) Jarman. The film festival lasts from August 19 to September 1, and you should turn yourself in a northerly direction and go and visit.

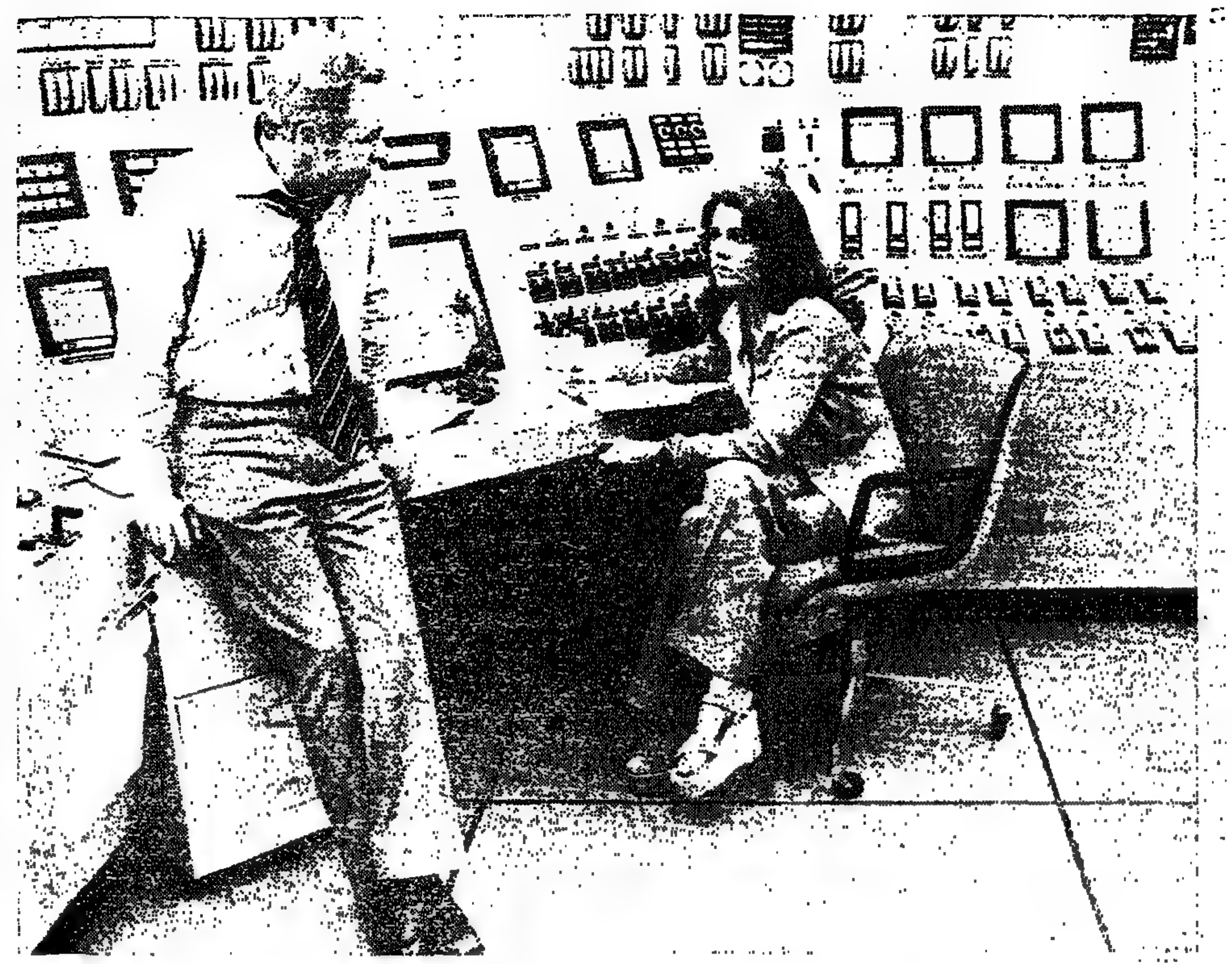
★

The ICA is currently presenting a season called "Britannia Waives The Rules: Empire And Resistance." Racial, cultural and religious tensions within the British Isles seems to be the theme, although it is a somewhat catch-all season which manages to juxtapose Arthur McCaig's Northern Ireland documentary, *The Patriot Game*, with Horace Ove's tragi-comic feature about black immigrants *Pressure*, or David Koff's embattled *Black Britannica*, with Don Letts's inchoate *Rankin' Movie*.

The last-named, Press-shown last Monday, is a celebration of Reggae music filmed on Super-8 mm in the far-divided locales of Kingston, Jamaica, and Notting Hill. Faced with the technical problems of changing cassette-reels every three minutes, Letts has made a vice out of necessity by giving the film a choppy, fragmented look that is obviously supposed to say Hooray-this-is-Cinema-Verité but actually induces irritation and sore vision. There are some nuggets in the film, however, if you take the trouble to pan for them.

★

Paul Rotha, that *eminence grise* of British documentarists, is occupying the screen on the other side of the Thames. The National Film Theatre is presenting a season of his films, and you may therein savour the craft and intelligence that made *World of Plenty, Land of Promise, and The Life of Adolf Hitler*. Also look out for a rare and rarely shown Rotha feature film, *No Resting Place*.



Jack Lemmon and Jane Fonda in 'The China Syndrome'

Albert Hall/Radio 3

Zimmermann Oboe Concerto

by MAX LOPPERT

Bernd Alois Zimmermann's Oboe Concerto dates from 1952; in style it seems to stand apart from the later and more celebrated Zimmermann compositions. Marks left upon the concerto by notable earlier figures of 20th century music are readily apparent — the first movement is entitled "Hommage à Strawinsky," and in the second and third the night-music manners of Bartok and the rigorous counterpoint of Hindemith are worked into the invention in strange and fascinating ways. But the music sounds "composed," a creative response to potent music influences rather than a cleverly ironical collage of them.

Venturing a possibly rash generalisation after my own introduction to the work in Wednesday's Prom performance (Heinz Holliger and the BBC Symphony Orchestra under Michael Gielen), I would say that the concerto is a much less striking achievement than such later works as the opera *Die Soldaten* and *Canto di speranza* for cello and orchestra; but that from it emerges far more appreciably the sense of an individual musical personality. There is something very attractive about the crispness of the first movement, *exercise du style*, its Stravinskyan neo-classicism translated into a more complicated harmonic idiom; and something restrained and poetic about the "Rhapsodie" that follows. The notes are succinctly placed; the instrumental environment is dry; and yet a kind of expressivity seemingly foreign to the style comes through.

It is conceivable, though, that the heightened emotional colouring was the particular contribution of the soloist. Hard to imagine a more poetic player of Zimmermann; Holliger's tone, so peculiarly his own in its blends of bite, plangency, and dramatic vigour, wrests from whatever music it undertakes a fierce communicative intensity. Not hard, however, to imagine a more precisely cut orchestral accompaniment. It was, altogether, not one of the BBC orchestra's happier Prom evenings. In the opening Mozart symphony, the "little" G minor, K183, the strings were like a shapeless woollen garment draped over wind and brass, smothering rhythmic forwardness, draining life from the phrases. Bruckner is not a composer one would immediately have associated with Gielen; his account of the Sixth Symphony, in many ways the most difficult of the mature works to bring off successfully, was in the main stolidly shaped, rawly and crassly sounded, and punitively devoid of spiritual content.

EMI launches Harveys series

EMI Records (UK) has signed a contract with Harveys of Bristol to sponsor recordings, under the title "Harveys of Bristol English Series," of music played by the Bournemouth Sinfonietta.

The first record in the series is "Music of Delius," arranged and conducted by Eric Fenby. Further records include music by Arnold, Avison, Britten, Tippett and the first complete recording of the Delius Incidental Music to Hassan.

Elizabeth Hall

Mozart

by DAVID MURRAY

Nothing went better in Wednesday's South Bank Summer Music than Mozart's little Masonic Funeral Music, when Jean-Bernard Pommier led along sternly and sweetly, teening woodwinds rising over its hollow sonorities. It is a piece that can sound merely opaque; Pommier and the English Chamber Orchestra made it translucent, and purposeful without unseemly haste.

The rest of the programme displayed the same marks of thoughtful care, without quite achieving a comparable conviction. Pommier conducted the E-flat Concerto, K. 482 (not the one originally advertised) from a lid-less Steinway, which did not flatter his deliberate but soft-grained attack: anyone hanging by his heels from the microphone-plug above the stage might well have heard a stronger and more exciting performance than that which reached us in the stalls, which was remote and decidedly mild. There was less exuberance in the Rondo than it deserves; the Badura-Skoda cadenza Pommier used is dampeningly ingenious (and too long), and the *sotto voce* return of the theme seemed a misplaced finesse.

None of which is to say that Pommier's reading was ever less than amiable and civilised, which goes as well for Anthony Halstead's account of the 2nd Horn Concerto. In the nature of the case—any horn concerto is obviously a dangerous tightrope—the orchestral part generally passes unnoticed; but this time Pommier had been fastidious with it, uncovering many happy touches. Mr. Halstead was reassuringly secure in his taxing part, though his diffident manner was at odds with the cheerful thrust of his playing in the Rondo (it is no myth that a good guess about which wind instrument a man plays can be made just by looking at the player, but Mr. Halstead bears the outward and visible signs of the other sort of English horn). Pommier allowed him little room to expand in the Andante; and later, in the 34th Symphony, the conductor lost some of the warmth of the music by holding the Andante di molto to a crisp, tight-lipped Andantino. The outer movements of the Symphony crackled brightly: if there was little spontaneous flow, there was plenty of intelligence to compensate.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8863412, 883897
Telephone: 01-248 8000

Friday August 10 1979

Put

Three years of M. Barre

IN THE late summer of 1976 M. Raymond Barre, newly installed as French Prime Minister, gave himself three years to knock the country's economy into shape. Now that those three years are nearly up, M. Barre's mission is still far from complete. Inflation is at worrying levels, the trade balance is moving into deficit and the Government is making every attempt to batten down the hatches as the waves generated by the latest round of oil price increases threaten to sweep over the decks.

Oil price

It would be wrong to conclude that M. Barre has failed. He cannot be blamed for not anticipating the oil price increases that have thrown out some of his original calculations. And in *comparison with a number of* other countries, France has so far not fared too badly. The franc has held up well in the European Monetary System and, hardly surprisingly, outperformed the dollar. Until recently the balance of payments has looked healthy, and in January this year industrial production reached the highest level since before the 1974 recession.

But since then the outlook has deteriorated. After a series of downward revisions in expectations, economic growth this year is now not thought likely to be more than three per cent at best. The increasingly dismal outlook for the second half of the year was a major factor behind this week's decision to stimulate the housing and public works sectors. At the same time, the Government is continuing to urge industry to step up its investments to prepare for the harsh competitive *climate of the 1980s. Investment* has remained slack despite two packages designed to boost it so far this year—largely because of the generally depressed international economic outlook. The recent rapid rise in interest rates will not help to reverse the trend

Protecting franc

The rise in interest rates has come about at least partly in order to protect the franc as the review of the working of the European Monetary System this autumn comes closer. If *the franc has done reasonably* well so far, it is not immune to speculation. It has not become the steady, hard currency that was one of M. Barre's initial aims—even if its performance against the dollar has been a useful restraint on the upward movement of the oil import bill.

Another of M. Barre's targets, the conquest of inflation, has proved even more difficult to achieve. The rate is now into double figures, and despite a temporary respite in June, the underlying trend appears to be firmly upwards. It is still, of course, below that of Italy and the likely British level in the coming months. But M. Barre's stated aim of bringing the French inflation rate down to that of Germany is only being achieved, in so far as it is, by the upward movement of the German rate.

Energy saving

The oil price rise has obviously not helped—even if, according to some estimates, it has only accounted for under 1 percentage point of the cost-of-living increase in the first half of this year. Next year it is expected to account for a massive FFr 30bn (over £3bn) increase in the country's import bill over 1978. The Government's response has been to introduce further energy conservation measures and warn the country that living standards *cannot simply be protected* through wage increases. Last week, M. Rene Monory, the Economy Minister, pointed out that it was much more sensible in the long run for people to *forgo increases in their standard* of living rather than price themselves out of jobs.

The Government's main problem in the coming months will be to convince the trade unions of the validity of this point. The Communist CGT has already begun to warn of an intensified pay campaign this autumn. That sort of warning is not unusual. This time, however, the more moderate Force Ouvriere is also taking a belligerent line — an ominous sign for a Government that has often relied on the FO's cool-headedness in the past. Their bark may be worse than their bite. But with the pressure increasing all round, and his original targets still largely unfulfilled, the one thing that M. Barre does not want or need is a "*hot autumn.*"

Off the rails yet again

THE HALF-YEAR figures for British Rail are not on the face of it too frightening. A loss of £10m on 24 weeks of operations represents only about ½ of 1 per cent of turnover, so that it might seem that quite a marginal price adjustment would restore viability. The fact is that British Rail is talking in terms of a fare increase of 20 per cent, because it well knows that the figures are a great deal worse than they look. From *the railway point of view*, new fares must provide for still sharply rising costs, and for the service of desperately needed new capital for re-equipment.

Futile

From the national point of view the figures are, of course, much worse again. Unfortunately the UK habit of mixing revenue subsidies and capital write-offs makes it very hard to estimate just how much the service is costing us. All the same, the fact that governments of every colour think it worthwhile to support rail services—and there is now talk of an EEC subsidy—suggests that it is futile to suppose that railway problems can ever be solved by applying a simple commercial rule-of-thumb.

So far as the most expensive services are concerned—the commuter services with their intense peak problems—there is no realistic alternative to railways. Our major cities grew up round railway networks which were profitable in a period of low interest rates and large income differentials between the average passenger and the average railway workers. Social change and inflation have turned profits to losses, but the physical necessity remains, rural services fill a social need. The only questions are how far the commuters themselves should pay for this service (and perhaps whether they should pay out of taxed income), and how far the remaining burden should fall on national finances, local finances, or on more profitable rail services.

When it comes to railway investment, other questions arise. Railways are generally energy-efficient when fully loaded; railway equipment has a long working life (the rolling stock now needing replacement is 20 to 25 years old) so that inflation and high interest rates throw a disproportionate burden on present rather than future operations.

All this suggests that the present Government, like its predecessors, must be prepared to commit a basic sum to railway support before it can ask the operating Board to show a "surplus" — the block-grant approach which has proved the best compromise between subsidy and efficiency.

A distinction

It might then be argued that the Board should be allowed the fullest commercial freedom; but there is another distinction to be drawn. It is reasonable that the Government should seek to control investment in the loss-making services, which may actually lead to larger losses.

What is not reasonable is that Whitehall should rob the system of normal commercial freedom in financing growth in its profitable services. For example, the freight service is actually short of some 200 locomotives, and hampered by worn-out rolling stock. Yet British Rail has been forbidden to lease the necessary equipment, as other enterprises might, though large funds are available for this purpose, and permission would be needed even for investment financed by users' pools.

Duties to face

However, if the Board is to claim greater commercial freedom, as it should, it also has *certain duties to face. It can* hardly claim this freedom as long as it does not allow the private sector access to its own equipment orders: the monopoly of British Rail Engineering is inappropriate, and almost certainly costly. It cannot expect users to provide equipment unless it can be operated to full capacity at week-ends, for example. In short, British Rail cannot operate commercially, even after subsidy, unless its labour force is prepared to work commercially, facing competition, providing service when users want it, and contributing to efficiency. This remains the toughest problem for the Board.

After the executions

The widening ripples from Iraq's troubled waters

BY PATRICK COCKBURN

LAST MONTH'S *discovery* of a high level conspiracy in Iraq, followed by 21 executions on Wednesday, raises the spectre of instability in the world's third largest oil *exporter. It also dealt a hard* blow to the common front of conservative and radical Arab states opposing President Sadat's peace agreement with Israel. In many ways it is *the most important internal* political change in the Middle East since the Iranian revolution.

Up to the beginning of this year the economic, and potential political, power of Iraq was seldom recognised in the West. Since the fall of the monarchy in 1958, successive rulers in Baghdad have been largely absorbed by the complex and sanguinary business of staying in power.

Yet Iraq, with a population of 12m, is the most heavily populated Arab state east of Egypt, and it is unique in the region in combining a relatively large population with very substantial oil revenues.

The size of Iraq's military forces emphasises the point. At the end of last year it had 212,000 men under arms, heavily equipped by the Soviet Union. This compares with a mere 58,500 men in the Saudi Arabian army. Had Baghdad's detente with Syria solidified into close military co-operation the two countries would together be fielding combined armies of almost half a million men and over 4,000 tanks. The military influence of Baghdad is all the more potent given the partial disintegration of the Iranian army. This makes the Iraqis the most powerful military force in the Gulf. Inevitably Saudi Arabia can see some advantages in co-operation with its northern neighbour against whatever threat emerges in Iran, particularly since the departure of *the Shah into exile created* doubts in Riyadh about the value of American guarantees.

Growing oil revenues

This military strength is backed by growing oil revenues. *This year they* should total over $15bn. Before the oil shortage sparked off by the Iranian revolution, Iraqi production was running at 2.6m barrels a day. Since then it has increased to 3.3m *b/d, and possibly higher.* Capacity is about 4m barrels a day. Reserves are more difficult to assess. Prolonged disputes with the western oil consortium the Iraq Petroleum Company, (*nationalised in 1972*) during the 1960s limited exploration but the Iraqi Oil Ministry has claimed that they total a potential 95bn barrels. This makes them the highest in the region after Saudi Arabia.

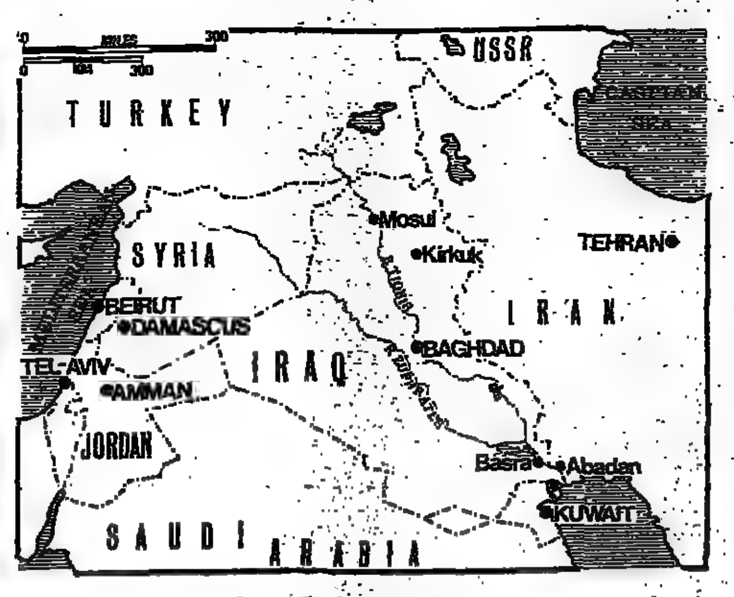
In common with other oil producers, ambitious plans for industrialisation and agricultural development — drawn up under the influence of the euphoric mood created by the 1973-74 oil price rises — have been beset by infrastructural weaknesses. The current $49bn five-year plan has been unable to cope with lack of skilled manpower, low productivity, poor managers and a byzantine bureaucracy. But since objectives were always far more modest than in Iran, the consequences of these failings are unlikely to be so far reaching. With the Iranian revolution Iraq became the second largest construction market in the Middle East.

Up to the end of last year this potential military and *economic power was not* exercised. Fear of Iran on its eastern borders and a bitter feud with Syria kept the country on the fringes of Middle East politics. Unremitting verbal *hostility* towards Israel was combined with actual passivity. The ruling Baath party in Baghdad persistently denounced its neighbours for betraying the pan-Arab cause, but Iraq *remained safely on the sidelines* of the Arab-Israeli dispute.

This policy was usually interpreted in other Arab capitals as meaning that Iraq would remain absorbed by its own internal problems. Neighbouring powers were always prepared to exacerbate such difficulties. Up to 1975, for instance, the Kurdish revolt in the north east of the country received some support from Washington, as well as the Shah. This tied down the bulk of the army and absorbed much of the increased oil revenues.

The first Sadat visit to Jerusalem in 1977 brought no change in Iraqi policy. Agreement with Syria, after ten years of bitter animosity only came at the end of last year. But the new alliance had an immediate impact in the wake of Camp David. Indeed it was a major error for Washington at that time not to perceive that Iraq was strong enough largely to replace Egypt as an ally of Syria and Saudi Arabia. The detente with Syria immediately changed the political centre of gravity within the Arab world. It was the real basis for the *Baghdad summit* at which Saudi Arabia and the smaller Gulf oil producers agreed to stringent measures against Egypt.

The end to Iraqi isolation had other consequences. Better relations were established with Saudi Arabia. Cloyingly phrased declarations of fraternal amity were exchanged with Arab states previously denounced by Baghdad. There was an extensive purge of Communists, 21 being executed in 1978, and relations with the Soviet Union rapidly deteriorated. When North Yemen came under attack from Aden earlier this year Iraq provided strong diplomatic backing and a $300m loan.



Saddam Hussain—effective ruler of Iraq since the early 1970s but now under pressure since last month's attempted coup and this week's executions.

Friendly noises were also made towards West European countries. A year-long trade *boycott of Britain was ended* when Lord Carrington, the Foreign Secretary, visited Baghdad in early July. Recognising the new position of Iraq as a crucial lynchpin of Middle East politics, a succession of European foreign ministers trooped through Baghdad airport. France, which had always invested diplomatic time and effort in the country, reached an agreement to take 30m tons of Iraqi crude in 1980. After the fall of the Shah the country began to look like an island of stability.

Failing health

Ironically, so the government now claims, many of the leaders who greeted the visiting foreign dignitaries were already plotting its overthrow. On July 12 the Secretary General of the Revolution Command Council (RCC) was stripped of all posts. Three days later President Ahmed Hassan al-Bakr resigned and was succeeded by Saddam Hussain. The latter, though nominally only vice-chairman of the RCC, has been the effective ruler of Iraq since the early 1970s. Two weeks after his takeover as President five lead*ing members of the government* and at least 250 party members and officers were arrested or executed. President al-Bakr's resignation had become inevitable due to his failing health, but may have been accelerated by the need to deal decisively with the plotters.

In spite of much speculation the exact form of the conspiracy remains unclear. The Baath party has always been *obsessively secretive. Within* a week diplomats were offering observers a choice between five different conspiracy theories. The only one which attracted little support was Baghdad's *own explanation that Israel and* the U.S. were behind the plot.

The motives of the five members of the Revolution Command Council who opposed Saddam Hussain were threefold: opposition to the dominance of his family in top ranks of the Iraqi government, desire for unity with Syria and opposition to the vigorous suppression of dissidents from Iraq's majority Shia sect.

When President Assad of Syria visited Baghdad in June to discuss uniting government and party in both countries he was *faced with unacceptable* conditions by Saddam Hussain. This angered the latter's colleagues who took the Baath's declared pan-Arab philosophy more seriously. They are par*ticularly strong in the army* and they seem to have been supported by former President Bakr. Inevitably the failure of the unity talks weakened the alliance between the two countries.

The attempted coup may well destroy it. Baghdad's thinking is that, if Syria was not actively involved in the conspiracy, the conspirators wanted closer unity with Damascus. Since the common Arab front against Egypt was largly based on the Syrian-Iraqi axis, this now looks extremely fragile. Saudi Arabia and *the conservative* Arab states will not modify their deeply felt hostility to the Israeli-Egyptian treaty overnight, but in the long term they may well modify their intran*sigence.*

Initial assumptions that the coup was directly linked to the revolution in Iran are not wholly convincing. Of the senior party officials arrested only the secretary general of *the RCC, Muhie Abdel Hussain* Mashadi, was a Shia. Though the majority of the Iraqi population comes from this sect the Sunni minority monopolises upper ranks of the party and *officer corps. Diplomatic canards* suggesting that there was a sudden split between the Shia RCC members, enthused by Khomeini's revolution in Iran, and the rest, look unlikely since most of the conspirators are Sunni. From Saddam Hussain's point of view the danger is rather that opposition within the party would look to the Shiites for support. This is all the more threatening because most of the lower ranks of the army are drawn from the majority community.

Animosity factor

A more convincing explana*tion of the coup bid is animosity* against the family of Saddam Hussain. Since the coup of 1968, which brought the Baath to power, control has been concentrated in the hands of leaders from Tikrit, a town north of Baghdad. This is reinforced by family links. Saddam Hussain and Bakr are cousins. Saddam's brother, Barzan is believed to have been promoted head of intelligence in July, while his first cousin is Minister of Defence. Conscious of the narrow regional and family base of the top leaders, *the government some* years ago instructed its members to drop last names (such as al-Tikriti) revealing tribal or regional affiliations.

This narrow base from which the leadership is drawn has inevitably led to splits within the Baath Party. Indeed the pan-Arab ideology of the Baath Party in both Iraq and Syria (where President Assad and many other leaders come from the minority Alawi sect) is in part an attempt to mask the deep sectarian divisions in both countries.

In the past Saddam Hussain, an extremely skilful politician, has been able to hold a tight grip on the party by successive purges. His normal technique is to isolate his enemies, be they Kurds, Shia or Communists, and then to crush them. There are now signs that these forces are combining against him. They are encouraged by the revolutionary climate in the area following the fall of the Shah. But the key to their success will be gaining support within the ruling party and the army. This is the reason for the Government's savage reaction against last month's conspiracy.

Comparisons misleading

The sudden collapse of the Shah's apparently monolithic regime last year has led to almost any sign of dissidence in the Middle East being seen as a precursor to revolution. No diplomat or journalist wishes to be caught twice on the hop, hence misleading comparisons between Saudi Arabia and Iran. But it is in Iraq, with its large Shia population and tradition of violent political change, that the influence of Khomeini's success is likely to be greatest.

This threat to the stability of the Baathist government should not be exaggerated. But its position is now weaker than at any time over the past five years.

If it does come under attack there must be some doubts *about the position of Iraq* as a stable alternative to Iran as a source of oil supplies. Such a development would be particularly worrying to countries like France, Italy and Brazil which have looked to Iraq as a major source of crude imports.

It also puts some question marks over the future of Iraq as a long-term market for exporters. Difficult though it is to do business in Baghdad, many exporters see it as second only to Saudi Arabia in long-term potential. Unlike the thinly populated city states of the Gulf, it has an ever-growing capacity to absorb investment. Unlike Iran, the government has so far generally avoided large prestige projects likely to be axed by any succeeding *regime.*

The country is still a long way from revolution, and Saddam Hussain is certain to liquidate any sign of dissent. Before Iran this might have been enough. But the attempted coup shows that ruling party and the army are not themselves united. The monolithic image created by the government during the past five years has been broken.

MEN AND MATTERS

GEC's year of the salesman

Somewhere in the ranks of the General Electric Company (GEC) lurks a happy man who made more from the company over the past financial year than his chairman and his managing director put together.

Reading the company's annual report, published yesterday, with my customary keen interest, I saw the column "employees' emoluments exceeding £10,000." There are some 575 of them (from a workforce of 184,000), and they range between £10,000 and £37,500.

Then in solitary splendour, comes a figure in the £102,500-£205,000 range. By comparison, the chairman, Lord Nelson of Stafford, gets a mere £45,000 for *his pains, while the highest paid* director—can it be other than Sir Arnold Weinstock?—receives £60,000. So I asked the country's biggest private employer who this well-paid individual is.

GEC would give no name. A spokesman would only say that it was a senior salesman in the company's computer division—one which has done well in recent years.

It seems this man has been selling GEC computers at a furious rate for the past two years, but that payments on the computers have been made in the past financial year, bringing him his bonuses in a lump.

"This is a freakish occurrence," said the spokesman. "We don't expect it to happen again."

"They're lost without TV commercials"

Name dropper

The most ambitious accounting merger ever attempted already seems to be finding itself in difficulties, even though the agreement to form the new group was announced only two weeks ago.

The proposed new firm will be the first of the international giants not to have an exclusively Anglo-Saxon base. Among the European founder-members are the biggest firms in France, Denmark and the Netherlands and the No. 2 in West Germany. The UK firm is Thomson McLintock and other members come from the U.S., Switzerland, Canada and Australia.

Unfortunately the group finds itself unable to agree on a name. Adoption of one of the existing titles has been ruled out, since this would imply that one firm was taking over the others. However, since the announcement was made, the main decision taken by the founding firms has been to *reject* a proposed neutral title. This lack of agreement bodes ill, say accounting rivals happily, for the future of the merger.

The new group's own problems of nomenclature are not the only ones created by its formation. Its gross operating fees will be at the very least $500m a year, putting it well up the traditionally-named Big Eight league of international firms. Only the league will now, presumably, have to be retitled the Big Nine. Perhaps a suitable title for the new firm would be Number Nine?

Whatever its troubles, I am confident that the new firm will be able to handle two-figure arithmetic. One cannot always take *such matters for* granted. The recruiting brochure from the accounting firm Edward Moore and Sons says that it now numbers 33 partners, with 16 based in the City. The "remain*ing 16," it adds, are elsewhere.*

Oliver's recruits

The Dartington Trust, famous for its connection with progressive education, is opening a business school in North Devon to teach middle-aged executives how to start up on their own. The first nine-week course begins in October, and the Manpower Services Commission plans to put 12 applicants through it at a cost of £11,500. It has just started advertising *the places in the West Country* Press.

The Trust has put £500,000 towards the project, which will include a local merchant bank and mutual insurance company. The bank aims to channel money from institutional investors towards promising schemes devised by the students.

Heading the enterprise is Oliver Stutchbury, former managing director of the Save and Prosper Group. Stutchbury led the "Abolish the GLC" party in the 1977 local elections, arguing as a former Labour Alderman that the GLC did nothing that could not be done by the London Boroughs' Association at a fraction of the cost.

In Chelsea he received 800 votes, but the other 31 candidates polled less well, leaving the party with an ungenerous 0.66 per cent share of the overall London vote. After that his enthusiasm for politics waned.

Stutchbury told me yesterday he had firm views on teaching business management. Two weeks of the course will be devoted to lectures from successful businessmen, with time available for rigorous cross-examination of the problems new projects were likely *to face.*

Handlebar hero

A call for help has arrived from Carl A. Minor, a retired banker in Missouri. Later this month, Minor will be coming to Britain to search for clues about an ancestor named Thomas Stevens, who won passing fame in the 1880s by riding around the world on a penny-farthing bicycle.

At this time of renewed faith in pedal power, Stevens should be a cult hero. But little is now known about him. "I shall be going to Berkhamstead, Hertfordshire, the birthplace of Stevens as well as my maternal grandmother," writes Minor. But he has been completely unable to discover what happened in later life to Stevens, who was a reporter for the New York World at the time of his youthful feat.

In the library of the Royal Geographical Society I found Stevens's two-volume Around the World on a Bicycle, describing his 13,500 miles of bone-shaking across America, Europe and Asia. He seems to have had so many hair-breadth escapes from wild beasts and bandits that he simply may have settled down afterwards to placid obscurity.

Hard headed

A recruitment party conducted by a Bristol company last month was a great success, according to its staff magazine. "It ran from 6 pm until midnight, and during that time two cases of gin and three of whisky were consumed. As a result 11 men have applied to join the company, the first applicant arriving on the morning after the party." I hope he held his job as well as his liquor.

Observer

Putting the squeeze on foreign students

By MICHAEL DIXON, Education Correspondent

TO ANY Government anxious *to curb public expenditure*, the £100m spent annually on subsidising *overseas students must* appear eminently suitable for sacrifice. No precedent has been set by the Conservatives' proposal to phase out the 60 per cent subsidy by charging the full average cost of courses in United Kingdom universities, polytechnics and further education colleges to the bulk of foreign entrants from the autumn of 1980. A similar step was under examination two years ago by the Labour Government, although it eventually *renounced control* by price in favour of limiting the influx from abroad by the imposition of quotas.

Nor is a precedent set by the Conservatives' decision that this autumn—a year in advance of the proposed gradual removal of the subsidy—there will be a sharp increase in the tuition fees of overseas students *already enrolled in the State* institutions of post-school education. It was also Labour which broke the tradition of charging only nominal sums.

Raised fees

Worried by the foreign contingent's growth from 31,000 to *approaching 80,000 over the* decade to 1977-78, the previous Government steeply raised the fees paid by the *65,000 or more* not aided through the Overseas Development Ministry or educational institutions' "hardship funds." The average increase *imposed for 1977-78 was 60 per* cent. By comparison, the increase this autumn will be 33 per cent.

But, although saving an estimated £6m *in the current* financial year, the raised fees will still leave three-fifths of the average unit cost of the foreigners' higher or further education to be met by UK taxpayers. So to phase out the *subsidy from September*, 1980, would require this autumn's charges to be multiplied by two and a half. This would imply—at current prices—fees of £3,075 *for new postgraduates* (now about 22 per cent of the overseas total), £2,350 for undergraduates (44 per cent), and £1,300 for sub-degree students (34 per cent).

The charging of "full economic costs" can be supported with strong argument by education ministers required by the Cabinet to cut perhaps £200m this year and £400m next *from projected annual education* budgets of roughly £8.5bn. Mr. Mark Carlisle, Secretary for *Education and Science, and his* political colleagues will doubtless maintain that the subsidising of overseas students entering from 1980 onwards could be continued only by commensurate reductions in educational provision for British youngsters. *Privately, ministers are already* saying that the subsidy is a *remnant of Empire—half of the* foreign contingent still come from the Commonwealth and *UK dependencies*—which the country must recognise that it can no longer afford.

Even so, it is certain that when the summer holiday is *over the various* educational interest groups will react to the full-cost proposal by increasing *the concerted opposition which* they mounted against the previous measures to contain the influx from abroad, whether by price or by quota.

Any reduction of the subsidy born of Imperialism is automatically condemned on grounds of racial discrimination by the anti-Imperialist National Union *of Students. This body* is committed to the belief that public spending of any amount can be funded, if not from trees, then certainly from the overflowing pockets of capitalists. The opposition from adult educational interests is usually less ideological. The supporting arguments, however, are not always in accord with the observable evidence.

Claims that the subsidy is no *more than is due from a still* relatively wealthy nation to the aspiring youth of poorer countries, is at odds with the hitherto unpublished figures in the accompanying table.

MAIN SOURCES OF OVERSEAS STUDENTS IN BRITISH STATE POST-SCHOOL EDUCATION

	1977-78 Number of overseas students	1977-78 % of grand total	1976-77 Number of overseas students	1976-77 % of grand total	% rise (+) or fall (−) over period
Total of top 18	58,904	68.4	56,328	68.0	+ 4.6
Grand total	86,107	100.0	82,974	100.0	+ 3.8
Malaysia*	12,856	14.9	11,958	14.4	+ 7.5
Iran	10,079	11.7	9,202	11.1	+ 9.5
Nigeria*	6,251	7.3	5,574	6.7	+12.1
Hong Kong*	4,585	5.3	4,164	5.0	+ 10.1
United States	3,424	4.0	3,456	4.2	− 0.9
Greece	3,325	3.9	3,281	3.9	+ 1.3
Sri Lanka*	2,353	2.7	2,656	3.2	−11.4
Iraq	2,163	2.5	1,896	2.3	+14.1
Singapore*	1,718	2.0	1,618	1.9	+ 6.2
Cyprus*	1,601	1.9	1,625	2.0	− 1.5
Turkey	1,585	1.8	1,461	1.8	+ 8.5
Jordan	1,482	1.7	1,147	1.4	+29.2
Zimbabwe-Rhodesia*	1,446	1.7	1,392	1.7	+ 3.9
Kenya*	1,356	1.6	1,698	2.1	−20.1
India*	1,340	1.6	1,742	2.1	−23.1
Canada*	1,137	1.3	1,077	1.3	+ 5.6
Pakistan	1,127	1.3	1,312	1.6	−14.1
Venezuela	1,076	1.2	1,069	1.3	+ 0.7
Total of top 18	58,904	68.4	56,328	68.0	+ 4.6

** Commonwealth members and UK dependencies.*

Injustice

More than two in three of the *overseas students known to have* been in UK universities, polytechnics and colleges during each of the past two years, have been sent from the same 18 countries which for the most part are by no means impoverished.

Moreover, of the students who come from countries which are poor, *many* belong to their nation's richer families.

Even if Labour had won the General Election, steps would have been taken to end the injustice whereby large numbers of British taxpayers are required to finance education *for families better off than* themselves.

The table chimes somewhat oddly, too, with claims that the subsidy is an investment on the grounds that most of the beneficiaries will return to important positions at home and *influence their country in favour* of the UK interest. The current attitudes of Iran and Nigeria—consistently two of the largest contributors to the foreign total—suggest that such "favours" could turn out to be expensive.

Another argument for keeping charges low is that, even if the UK gains nothing by encouraging overseas students to come here, it will lose by not doing so. Higher fees would reduce the number of first-class *minds from other cultures* coming to add a desirable international dimension to British institutions.

The evidence to date, however, is that foreigners generally are eager to come despite the need to pay more. Between *1976-77 and the following year,* fees rose on average by 60 per cent. As the table shows, the known total of overseas students *nevertheless continued the* growth of previous years. And of the foreigners who applied, in particular, to enter universities in autumn 1977, only about *a quarter were admitted, compared* with more than half of the British applicants.

This suggests that, if universities were prepared to admit *applicants from abroad as* generously as they admit those from Britain, they could preserve their international leavening even if the number of initial applicants from overseas fell by more than half.

So when foreign students' fees *are treated as a straightforward* issue, the balance of argument seems to be in favour of charging at least the full cost. But in reality the issue is far from straightforward, and for three main reasons.

The first is that nobody knows *how many overseas students* there really are in the category of people not holding a British passport who came here to study. They are defined officially only as students who are "not normally resident in this country," and the figures in the table represent all those in State post-school education who have been judged to be in this *category*. But the definition is interpreted differently by different local education authorities which are directly responsible for the award of student grants.

Loophole

Some authorities treat anyone *who has been in the UK for at* least three years—except for holidays—as "normally resident in this country." So foreign families with detailed knowledge of British local government can, especially if rich enough to afford boarding *places at independent schools,* arrange for their sons and daughters to become officially British students, and go on *to university, polytechnic or* college on that basis.

The Department of Education and Science says that increasing numbers of local authorities are now closing this loophole, as a result of the pressure on public spending. But clearly, if policy on overseas students' fees is to be fair to all foreigners alike, the definition of who is and who is not an overseas student needs to be tighter—and uniform throughout the country.

A second difficulty arises from the fact that foreign students are not distributed evenly across the whole range of studies. They are concentrated heavily in those of the technological kind, not only at degree level, but also in subdegree "*vocational training*" in technical colleges.

Such programmes often have *a majority of students from* abroad so, if higher fees significantly reduced overseas demand, there would be the problem of what to do with the British students.

If the "uneconomical" courses were continued, or if the British students from several sparsely attended courses were sent instead to one regional centre, the unit costs of their training would *rise steeply. Simply closing the* courses would deprive Britain of much-needed skilled workers.

Moreover, there is almost certainly an investment value in having foreigners on technical courses in this country, because the future managers and *specialists are trained on* British equipment and are likely to prefer to use it when they return home.

The third probable and undesirable consequence of further fee rises is indicated by the last column of figures in *the table. Following the 60 per* cent average rises in autumn 1977, most of the 18 countries sent more students, and the contingents from *Cyprus and the* United States and its dependencies declined only slightly. But there were marked decreases in the numbers from *India, Kenya, Pakistan and Sri* Lanka. And these four are the only countries in the table which, in terms of Gross National Product per head are *classified among the world's* poorest group of nations.

Burden

So it seems that, while relatively wealthy nations may take increased charges in their stride, the indigent will find them a forbidding burden. This is, of course, no *argument for* continuing to subsidise overseas students' fees generally. *But it is surely a compelling* case for the provision of generously increased funds to help youngsters who, although well qualified for British higher or further education, cannot afford to come here.

If the Government is to *charge the "full economic cost,"* it needs to ensure that the necessary funds are available to assist such deserving cases in *far greater numbers.* But the allocation of such funds should not be the responsibility of the Department *of* Education and *Science or the local education* authorities, which are not equipped to assess whether an overseas applicant is a deserving case or not. The responsibility rightly belongs to the Overseas Development Ministry.

Provided the Government *deals with these difficulties,* however, it might at last produce a system for coping with foreign students in State further and higher education that is both fair and largely self-financing, instead of the expensive tangle of *arrangements which has grown like a* bramble bush amid the temporising of the past few years.

Letters to the Editor

Leasing aids business

From Mr. S. Knott

Sir,—I cannot understand the conclusions on leasing reached by Mr. J. R. Frank and Mr. S. D. Hodges of the London Business School (August 6).

The benefit of the tax credit appears to be split roughly equally between the lessor and the lessee. This is reflected in *the reduction in interest rate* charges, where money is leased rather than borrowed the difference is in excess of 3 per cent.

Toward the end of 1978 there was a considerable increase in *interest rates, at the same time* there was a decrease in leasing charges caused by the excess taxable capacity of the clearing banks which reflected a good *profit year.*

If Bank lessors were retaining the whole or most of the advantage of the tax credit this would be reflected in above average profitability for their leasing subsidiaries. The table shows the figures for the main bank leasing subsidiaries for 1977.

For this purpose employed capital does include the capital and reserves of the leasing subsidiaries plus deferred tax. The table shows that not one bank lessor had a return in excess of 10 per cent and that the median figure was 5.9 per cent, had these assets been employed in short term gilt-edged *the* average return would have been at least twice.

Not all of the figures for 1978 are yet available but I do not *see any change in the* underlying trend. The return on assets is about one third of the standard return in the banking sector which means that a considerable portion of the benefit goes to the lessee.

	Employed capital £000	Pre-tax profits £000	Return on capital %
Midland Montagu	114,958	7,34[illegible]	6.4
Barclays Mercantile	85,899	8,961	9.4
Lloyds Leasing	75,190	[illegible]923	2.6
Lombard Nth. Central (Nat. West)	61,455	3,616	5.9
Royal Bank Leasing	37,104	794	2.1
Williams and Glyn's	16,554	510	3.1
Ibos Leasing (Bank of Scotland)	12,062	699	5.8

If the Government was to act on the advice of Messrs. Frank and Hodges the damage to the economy would be considerable. Leasing represents the easiest form of medium term finance for medium sized and small businesses who are paying no *tax except advance corporation* tax. The withdrawal of this facility would reduce the level of investment, have some effect on unemployment, and damage profitability.

S. H. J. A. Knott,
Greene and Co.,
Finsbury House,
22, Bloomfield Street, EC2.

Car excise licence

From the National Secretary,
United Commercial Travellers' Association Section.
Association of Scientific, Technical and Managerial Staffs

Sir,—As a matter of professional concern we support the Royal Automobile Club and others in opposition to the possibility of the £50 car excise licence being replaced by an increase in petrol tax.

On the basis that this has already been mooted it would mean that companies employing sales forces would face an additional cost of at least £200 per vehicle per annum. By no logic is such an arrangement anything other than a penalty. No *amount of persuasion would convince* us that substitution is the name of the game!

This, if it happens, will hit small companies hardest and *could affect jobs in larger companies* also, as all companies constantly keep the cost of operating sales forces under review.

Roy Tomlinson,
Bexton Lane,
Knutsford, Cheshire.

Currency futures

From the Economic Adviser, Burge and Co.

Sir,—The information given by David Lascelles in his article (August 8) about currency futures in the Chicago international money market is fascinating.

There is another point, he omits, which I suggest could become important. When Foreign Exchange markets are optimistic about a particular currency (as they have been about sterling recently), it becomes very difficult for central banks to regulate exchange rates without incurring new risks of losing control over monetary policy targets. For example, sales of sterling "swaps" in the Foreign Exchange market can be worked back by arbitrage to spot positions—when markets are optimistic—which, of course, inflates monetary M1 (or possibly M3) aggregates.

Sales of particular currency futures in the Chicago international money market, however, *have no effect upon monetary* M1 unless speculators are prepared to undertake more expensive (and risky) operations to "straddle" money and Foreign Exchange markets.

For this reason, Chicago currency futures offer interesting possibilities for exchange rate adjustments which central banks find difficult to execute, for monetary reasons, in the Foreign Exchange markets.

A. G. Horsnail.
25, Worship Street, EC2.

A tax on sales of homes

From Mr. D. Prag MEP.

Sir,—As someone who is just *in process of moving,* I feel particularly qualified to criticise the proposal of Councillor Stewart Ewing (August 7) for subjecting the gain on selling owner-occupied *houses to capital* gains tax.

I cannot think of anything more foolish. In the first place, much of the capital gain on *most owner-occupied* houses is due to inflation. More important, however, is the fact that the owner-occupier rarely gains any advantage though the house he bought, say 10 years ago for £8,000 having increased in value to £60,000. Unless he plans to live in a tent, he will have to spend roughly £60,000 on acquiring a similar house in a similar area. And if he wants *to move, say, from Lancashire* to Hertfordshire, where there is a damaging shortage of skilled labour, he may have to pay £80,000 for a similar house.

The total charge on selling one house and buying another (stamp duty at 2 per cent, estate agents' fees at 2-2½ per cent, land registration and conveyancing charges, plus the cost of removal and new carpets and curtains) is already far too high. *Together with the rigidities of* letting systems for council homes, the high level of these charges helps to make British labour among the most immobile in the world.

There could be no more counter-productive step in this field than to add to the burdens of removal by imposing yet another charge. It would make much more sense to increase mobility by abolishing stamp duty, rather than to decrease mobility by imposing yet another charge on moving. In the interest of industrial efficiency and common sense, Councillor Ewing's proposal should be rapidly consigned to the scrap heap.

Derek Prag
27 Longton Avenue,
Upper Sydenham, SE26

A concrete cuckoo

From Mr. D. Burgess-Wise

Sir,—My apologies to Mr. Turner of British Airports Authority (July 31). I had assumed that in his position he would have been aware of the Batterbee report and of the *Open University energy department* report, both of which totally refute the need for a third London Airport. And, indeed, that he would have read the editorial in *Flight International* for July 14 which also argues against the need for a third London airport.

Unfortunately, the body that he represents does not seem to know when to give up—its quest for a third London airport site has now celebrated its 25th anniversary, and has always been rejected on both environmental and cost objections. I would hate to estimate the total cost to the nation of this obstinate *attempt to plant the BAA's* concrete cuckoo in someone else's nest.

Most of the proposed sites have already been rejected by earlier airport commissions, so why have they now been revisited? The sites have not changed, and therefore must be as unsuitable for a gigantic airport now as they ever were.

Perhaps Mr. Turner could also explain why BAA should be *above the Green Belt regulations* which apply to everyone else. I was not aware that the siting of a pleasure airport was a national emergency.

David Burgess-Wise.
25, Walker Avenue,
Fyfield,
Ongar, Essex.

Closure at Portmadoc

From the President, Consumer Products Division, SCM Corporation

Sir,—The article on the closing of SCM's Portmadoc typewriter factory by Mr. Robin Reeves (July 20) is inaccurate. It is unfair to SCM. The article suggests that the rising value *of sterling against the dollar* was the sole reason for our decision. Our discussions with the union (and our correspondence with Mr. Dafydd Wigley, *MP) stressed that that was only* one of several factors. Very important were: declining worker productivity, rising costs of raw material, sales of similar products in the U.S. and UK markets at dumping prices by East *European and Japanese manufacturers,* and a decline in the world market for machines of the kind made at Portmadoc.

In this increasingly competitive *market it became obvious* that an assembly plant located 200 miles from the parts fabrication plant is impossibly uneconomic, especially once our *combined output between West* Bromwich and Portmadoc declined by 25 per cent. We kept Portmadoc open as long as we could, but the losses could not be tolerated indefinitely.

The small manual portable typewriter assembled at Portmadoc in no way competed with the unit we manufacture at Glasgow, an *office-type*, fully-featured electric.

We did our best to communicate our reasons for having to close the Portmadoc facility to the union and to Mr. Wigley and most important to our employees. We believe we were *successful* in explaining the circumstances. Mr. Reeves' article unfortunately serves only to confuse the issue. Had he talked with company people *his article might have been* more balanced.

George F. Burns.
299, Park Avenue,
New York, N.Y. 10017

Shopping centre brashness

From Shirley Dupree

Sir,—We read with interest Colin Amery's article on Milton Keynes shopping centre (July 30) and would draw particular attention to his comment that "the cool austerity of the Milton Keynes centre is too uniform and too controlled to have much meaning for the people who are going to use it."

The problem of architects' constant aspirations to create an ideal wonderland is that the rest of us have to live with their creations now. Awareness and appreciation of "good taste" design is very limiting and must be seen in the context of reality and natural contrast.

A shopping centre is a meeting place. The signs and messages, sound, smell, people and merchandise are all essential ingredients in creating a "market place" alive with variety and colour. Visiting the market place is a necessary social activity for real people: we must ensure that it is also pleasurable.

Thank goodness for the "brash facades and hideous lettering" that we know and understand—the familiar in an unfamiliar environment.

The primary concern of retailers *must be serving* the people of today. The mechanics of a permanent structure well detailed and built should never be confused with something alive and real which has to respond to current trends and changes. Retailing has an exciting tempo all of its own which will survive despite architects and town planners.

Shirley Dupree.
Dupree Partnership.
1, Ives Street, SW3.

Today's Events

GENERAL

UK: Mrs. Margaret Thatcher, Prime Minister, and Lord Carrington, Foreign Secretary, present Rhodesian constitutional proposals to the Cabinet.

Iron and Steel Trades Confederation, and Transport and General Workers' Union meet to discuss inter-union dispute halting work at Hunterston ore terminal.

Society of Civil and Public Servants, and Civil and Public Services Association discuss possible strike over pay by 500 London magistrates court clerks.

Mersey dockers discuss unofficial strike over pay.

Tryst and International Trade Fair opens, Falkirk (until August 18).

Overseas: Sir Kenneth Cork, Lord Mayor of London, meets *chairman of Federation of* Korean Industries, in Seoul.

Ecuadorean civil government due to take office.

OFFICIAL STATISTICS

House renovations — work completed (second quarter). Slum clearance (second quarter). Housing starts and completions (June). Building Societies' receipts and loans (July).

COMPANY RESULTS

Final dividends: Rowland Gaunt. Wm. Jackson and Son. Wholesale Fittings Company. *Interim dividends:* Radiant Metal Finishing Company.

COMPANY MEETINGS

Dundonian, Euro Crest Hotel, Queensferry Road, Edinburgh, 11. Radiant Metal Finishing, 69, Fairfield Road, Bow, E. 12.30. Scapa, Saxon Inn Hotel, Yew Tree Drive, Blackburn, 11.30.

LUNCHTIME MUSIC, London

Band concert, Tower Place, noon-2.00 pm.

Pop band, Travelling Voice, St. Martin-within-Ludgate, 12.15 pm.

Recital by Ivan Andrews (cello) and Christine Croshaw (piano), St. Lawrence Jewry next Guildhall, 1.00 pm.

Automotive ahead so far but warns on margins

IN THE first half of 1979 **Automotive Products**, the vehicle and aircraft equipment manufacturer, managed to raise profits by 6.3 per cent to £7.88m, but the directors warn on the second six months.

The profit was achieved in the face of the bad winter and the transport dispute, and compared with the second half of 1978 shows only a 2.1 per cent increase. Turnover at £98m is 9 per cent up on both periods.

After a record level of passenger vehicle registrations up to July the directors say it is expected that the market will be less buoyant in the second half and the pressure of the strong pound on export margins is intense. However, orders generally remain firm and indications are of increasing activity in the important replacement parts market, both in the UK and export areas.

In total the directors expect second-half turnover to show a further increase on the first half, but competition and the combined effects of a high exchange rate and accelerating domestic inflation must result in reducing margins in the short term.

Direct exports in the first half amounted to £22.2m—an increase of £0.7m and £2.6m respectively on the first and second halves of 1978. This was achieved despite *the closure of the Iranian* market, which is now opening up again to the group's products.

The interim dividend is lifted from 0.75p to 1.5p net—the total for 1978 was 1.5209p paid from record profits of £15.13m.

	First-half 1979 £000	1978 £000
Group sales	98,013	89,784
Profit before tax	7,882	7,414
Taxation	1,160	*894
Net profit	6,722	6,520

* Restated

See Lex

INDEX TO COMPANY HIGHLIGHTS

Mercantile Investment expansion

Net revenue of **Mercantile Investment Trust** rose to £1.68m in the half year to July 31, 1979, compared with £1.32m last time. Total revenue was up from £3.2m to £3.69m.

Net revenue was struck after debenture and other interest of £1.02m (same), management expenses of £188,000 (£140,000), and tax of £797,000 (£728,000). In the last full year net revenue reached £2.67m (£2.49m).

The net interim dividend is raised from 0.35p to 0.72p, which includes 0.22p representing arrears of dividend due from Shell Transport and Trading. The directors say shareholders would be unwise to regard this portion as repeatable. They expect to recommend a final higher than last year's 1.35p.

Net asset value per 25p share is shown as 57p (59p) after de*ducting prior charges at redemp*tion values.

A.-American Securities up midway

NET REVENUE of **Anglo-American Securities Corporation** rose from £1.01m to £1.22m in the six months to July 15, 1979, after tax of £663,319, against £600,471. Gross revenue was higher at £2.23m, compared with £2.02m.

As already known, the net interim dividend is lifted from 1p to 1.2p, absorbing £681,804 (£566,533). The directors intend to pay a second interim of not less than 2.6p, in lieu of a final. Last year's total was 3.3p.

Net asset value was 127p, against 133p, and 138.5p at January 15. Retained revenue came through at £493,180 (£407,480).

GEC in strong position to face next decade

BY JOHN LLOYD

Sir Arnold Weinstock, managing director of **General Electric Company** said yesterday that whatever lies ahead, the group was "in a far stronger position to withstand setbacks and to take advantage of new opportunities in the 1980s than we were in 1970."

In his annual statement, Lord Nelson, chairman, says that the advantages expected for GEC from mergers with English Electric and AEI 10 years ago have been fully realised.

He says that group exports from the first to the tenth year *multiplied by almost four times*, capital expenditure nearly seven times and the tax paid to the Government by eight times.

In the year ended March 31, 1979 group net profit rose from £158m to £219m, while sales expanded from £2.3bn to £2.5bn.

Given reasonable conditions, the chairman looks forward with confidence to the next ten years. A "coherent" energy policy is an urgent need. All indications point to the importance of nuclaer energy, but no clear forward programme has been established, he says.

Lord Nelson hopes that the Government will soon establish a positive approach towards this subject which in turn will enable the group to seek closer international collaboration.

In a message to its employees, the company stress that GEC must compete with a number of large foreign companies—U.S. General Electric, Siemens of West Germany, Toshiba and *Matsushita of Japan* and Thomson Brandt of France.

"It is commonly and wrongly believed that our Japanese and *American competitors achieve* relatively greater exports from their countries than the Europeans. The fact is that 20 per cent of Toshiba's output in Japan was exported last year. GE of America exported 18 per cent of its U.S. manufactures.

GEC on the other hand *exported 34 per cent of its home* manufacture (£751m out of £2.2bn) and so was close to Siemens which exported nearly 40 per cent of its output."

See Lex

Freddie Mansfield

Sir Arnold Weinstock (left), managing director of the General Electric Company with Lord Nelson of Stafford, the chairman.

Mr. Currie denies forecasting £350,000 profit for Belhaven

BY JAMES BARTHOLOMEW

Mr. Gordon Currie, a former chairman at **Belhaven Brewery Group**, yesterday told his side of the boardroom row which has *suddenly erupted*.

His version came the day after Mr. Roy Ling, the chairman until a week ago, made serious criticisms of Mr. Currie and just before the rest of the board comes out with its own statement. The climax of the battle —unless Mr. Peter Rowland, the current chairman, can conciliate the parties—may come at a board meeting today.

The brunt of Mr. Currie's statement is his denial that he forecast a profit of £350,000 for *the company in 1978/79. Mr.* Ling had claimed on Wednesday that Mr. Currie had assured him that this would be the profit, the day of the Belhaven year end. Mr. Ling had a major interest in the results having sold Ashpoint, a plastics company, to Belhaven in exchange for shares.

While denying that he made the forecast, Mr. Currie nonetheless goes some way to explaining where Mr. Ling's figure of £350,000 came from. *He says this figure* was the sum of the budgeted trading profit of £50,000, pre-acquisition profits of £75,000, profits on sale of properties £140,000, profit on redemption of dollar loan £60,000 and an insurance claim of £25,000.

Mr. Currie says that the budgeted pre-tax profit was only £50,000. In fact even this figure was not met. The actual result was a pre-tax loss of £58,000. Mr. Currie says that factors contributing to the shortfall were the irrecoverability of the insurance claim and the transformation of the exchange profit into a loss because of the strength of the pound.

The pre-acquisition profits and the profit on sale of properties were excluded from the pre-tax result announced earlier this month.

Mr. Peter Rowland, the current chairman, is to see Mr. Ling, his predecessor, before the board meeting today to see if a peace formula can be found. If not, Mr. Ling may be asked to leave the board.

The central part of the argument is that the rest of the board does not agree to the conditions Mr. Ling has made for allowing money to be paid by Ashpoint to help finance Belhaven's dividend. The board was so annoyed by his terms that it removed him from his position as chairman and managing director.

One of the terms was that *Ashpoint should remain outside* Belhaven's control for seven years from 1981. The Belhaven board may reveal more details of the conditions soon.

English & NY earnings up

For the first half of 1979, total gross revenue of **English and New York Trust Company** showed litle change at £1.19m, compared with £1.18m.

Management expenses took £69,139 (£68,130), loan interest £48,130 (£172,246) and tax £372,599 (£335,706). Earnings per 25p stock unit are up from 1.5p to 1.74p and net interim dividend is raised from 1.25p to 1.5p. The directors intend to recommend a final payment of not less than 2p (1.75p).

The net asset value per stock unit at June 30 was 102.7p (101.5p) and adjusted for conversion of loan stock 102.4p (101.1p).

Move to oust Brit. Dredging board

A former chairman of **British Dredging**, the loss-making company in which Ready Mixed Concrete owns nearly 28 per cent, will attempt to oust the *rest of the present Board* at a special meeting later this month.

Backed by 13.7 per cent of the company's shares held by himself, family and associates, Mr. D. Mostyn Bowles has forced British Dredging to schedule an extraordinary meeting on August 31 after the annual meeting.

He is seeking to remove the whole Board, apart from himself, and to appoint Mr. Price Stephens as his fellow director. Mr. Mostyn Bowles is currently a non-executive Board member. The *present chairman*, Mr. Bryan Clark, said the Board would oppose vigorously the resolutions to change the Board composition and size.

Last year, the company trimmed its trading loss to £170,450 from £786,620.

However, after inclusion of the £930,000 profit on the sale of its London marine dredging interests and nearly £112,000 from a surplus on debenture stock redemption, it ended up with a net profit of £602,300 against a loss the previous year of £368,110.

Provisions qualified

The company's auditors, Deloitte Haskins and Sells, have qualified the accounts, stating they are unable to determine whether certain provisions are adequate or excessive.

One provision concerns £150,000 against the long-term debtor of £400,000 due from the purchasers of the group's interest in Pauls Federated Merchants. The other is for £700,000 against losses incurred in the closure of Avonmouth Engineering and possible losses in the event of closure or disposal of the European operations.

Mr. Clark told shareholders in a statement sent out with the accounts that "your company is now ready to return to *full* health." He added that the action proposed by Mr. Mostyn Bowles could only have an adverse effect on the company's progress and the share price.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Ailsa Investment	3.34	Sept. 29	2.93	5.64	4.83
A. American Gold int.	175**	Oct. 5	100	—	250
Associated Tooling	1.63	Sept. 14	1.46	3.03	2.56
Automotive Prods. int.	1.5	Sept. 27	0.75	—	1.52
Diamond Stylus	0.83§	Sept. 28	—	1.26	0.9*
David Dixon (Leeds)	9.6	—	4.97	9.6	4.97
Estates Property	2.75	Oct. 3	1.36	4.25	2.36
Hallite	4.6	Oct. 1	4.37	6.75	6.52
Hawley Leisure int.	0.3†	Oct. 1	0.05	§	0.1
Longton Transport	3.25‡	—	2.75	5	3.85
Malaysiam Tin	3.25	Sept. 28	2.6	3.25	2.6
Mercantile Inv. Tst. int.	0.72‖	Sept. 28	0.35	—	1.7
Ratcliffs int.	1	Nov. 1	0.75	—	3.12
Relyon int.	2.25	Oct. 1	1.75	—	4.57
Rights and Issues int.	1	Oct. 8	1	—	2.9
David S. Smith	2.78	—	1.41	4.75	2.66
Wolf Electric Tools int.	0.85	Oct. 26	0.63	—	1.48††

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Includes special 0.5p for company's jubilee. § 0.5p final forecast. ¶ Gross throughout. ‖ Includes 0.22p representing arrears of dividend due from Shell Transport and Trading. ** South African cents throughout. †† Includes 0.06333p for ACT reduction now payble.

Second half lift for Longton

A SECOND half increase from £493,000 to £830,000 lifted taxable profits of **Longton Transport (Holdings)** to a record £1.65m for the year ended March 31, 1979, against £1.12m previously, a rise of 47.5 per cent. Sales for the full period rose 22.7 per cent to £34.2m.

At half-way, the directors were confident on improving the full year's figure, despite the lorry drivers' strike at the beginning of 1979.

They now say that all divisions contributed to the increased profit. The general trading situation in Longton appears bright and if a repetition of last winter's difficulties can be avoided, they expect 1979-80 to be another successful year.

Stated earnings per 25p share are 22.3p (15.9p) and the final dividend is 3.25p (2.7458p) net. *Also proposed is* a 0.5p special Jubilee payment to celebrate 50 years of trading by the company. This makes the total 5p compared with 3.845p last time.

Shareholders' funds at the year-end were £9.94m (£8.85m).

The directors say that as *transport is no longer* the predominant activity of the group it will be proposed at the AGM on September 28 to change the name to Longton Industrial Holdings.

The group's other activities include: export packaging and *freight forwarding*, steel stockholding, engineering supplies and vehicle distribution.

	1978-79 £000	1977-78 £000
Sales	34,204	27,870
Profit before tax	1,654	1,121
Tax	143	118
Net profit	1,511	1,003
Attributable	1,401	987

● **comment**

Longton has turned in a creditable set of figures for the year. Admittedly, the previous year's results were depressed by industrial disputes, but even so, the 48 per cent profits gain reflects firm all-round growth, including a one-fifth rise from steel stockholding —a result, no doubt of the Davignon plan to curtail low-priced imports. In spite of the lorry driver's strike and bad weather, the road transport division's profits jumped by 52 per cent to £610,000, thanks to strong growth on the storage and distribution side of the business. *Elsewhere, buoyant sales of cars* and specialised machinery more than offset difficult trading conditions in the commercial vehicle sector to give an impressive 79 per cent profits rise to £470,000 for the group's smaller vehicles division. Overall the group is *trading in volatile areas*, a factor which probably explains the undemanding rating of the shares which, at 83p, sell on a p/e of 3.6 (low tax charge) while the yield is nine per cent.

7% Swiss convertible for Levex

Levex, the fabric printing group, is raising a £360,000 convertible ten-year loan at 7 per cent from a Swiss investment bank. The stock is convertible into Levex ordinary shares at a price of 20p.

Mr. Charles Harris, the chairman, told the annual meeting the funds would be used to create a firmer asset and profits base.

He said later that it was unlikely the money would be put into textiles or property, but it would almost certainly be invested in the UK. The investment bank is linked with one of Switzerland's "big three" commercial banks, he added.

Pitney Bowes passes £1.3m

Taxable profits of Pitney Bowes rose from £1.2m to £1.33m in the first half of 1979, on increased turnover of £12.42m, against £9.75m. In the last full year, the surplus reached £2.21m.

After tax of £681,000 (£630,000), net profit came through at £653,000, compared with £578,000.

The company, which is a subsidiary of Pitney Bowes Inc., of Stamford, Connecticut, makes postage meters, and mailing and business machines.

Yorkgreen seeks cash to expand Interlite

or the second time in less a year Yorkgreen Invest-nts is asking shareholders for ash injection.

he latest call is for £300,000 way of a rights issue on the s of one-for-one at 10p a e. The plan is to reduce k borrowings and provide itional working capital to nce the expansion of Inter- Linear Controls, a distribu- of lighting and other products he building industry.

he directors and their ilies will be taking up 975,000 ordinary shares and the ance of 2.23m is being under-tten by brokers Kitcat and ken.

n October last year the ectors called for £170,000 to nce the proposed acquisition 50 per cent of Interlite not eady owned.

ccompanying the latest rights iouncement is the group's ults for the year ended April 1979.

hey show turnover of £507,154 ,909) and pre-tax profits of ,248 (£22,276) after £30,343 6,497) from the sale of invest-nts. The directors say that s achievement stems from the tinued progress in Interlite, ere consolidated profits iounted to £94,103.

nterlite traded at a satis-tory level during the first arter of the current year and the directors expect a continua-tion of growth.

The recommended dividend for 1978-79 is 0.4375p (0.335p) net.

The AGM is called for September 10.

Associated Tooling up to £0.15m

TAXABLE profits of *Associated* Tooling Industries advanced from £109,356 to £152,546 in the year to February 28, 1979. This compares with the record £254,852 in 1974/75.

At midway, the surplus was ahead to £72,450 (£51,662), and the directors were confident of a significant improvement in the full-year outcome.

Turnover for the year was lower at £1.31m (£1.45m). After tax of £125,004 (£99,991) and transfer from tax equalisation account of £38,143 (£38,244), net profit came through at £65,685, against £47,609.

An *extraordinary credit of* £77,320 this time pushes up the attributable surplus to £143,005.

Earnings per 25p share are given as 3.8p (2.7p). The net final dividend of 1.631315p lifts the total to 3.031315p (2.558321p).

	1978-79 £	1977-78 £
Turnover	1,307,403	1,451,636
Trading profit	245,224	207,546
Depreciation	92,678	98,190
Profit before tax	152,546	109,356
Corporation tax	125,004	99,991
Tax equalisation	38,143	36,244
Extraord. credit	77,320	—
Attributable	143,005	47,609
Interim dividend	24,460	19,218
Final	28,500	25,475
Redemp. reserves	1,200	1,200
Forward	310,189	221,444

City of London Brewery ahead

Net revenue of City of London *Brewery and Investment Trust* rose from £1.53m to £1.74m in the year to June 30, 1979.

This was after management expenses of £138,218 (£128,173) and tax of £931,139 (£864,767). Total revenue was ahead from £2.52m to £2.8m.

Earnings per 25p deferred stock unit are given as 3.335p (2.899p). A fourth interim dividend of 1.19p (0.96p) net lifts the total from 2.76p to 3.26p. *The directors say the quarterly* dividends payable this November and in February and May 1980 will be increased to 0.815p (0.69p).

Relyon optimistic after passing £0.9m at midway

IN LINE with the May forecast of a good year, Relyon PRWS, the Somerset mattress and divan manufacturer, reports first half *1979 pre-tax profits up from* £718,000 to £921,000.

On the basis of present trading Mr. H. Brockenshaw, the chairman, says he is optimistic *about the remainder of the year* —in 1978 the group turned in a record £1.49m.

First half earnings per 25p share are stated to be up from 5.17p to 6.67p and the interim dividend is increased from 1.75p to 2.25p net—the total for 1978 was 4.5732p.

In his annual statement Mr. Brockenshaw said that 1979 had opened very well with group turnover to March 31 showing a substantial increase over the corresponding period of last year. The run-up to the General Election was causing some slow-down in consumer spending but he believed *that the year would* be a very good one for the group.

In seeking a more profitable utilisation of group liquid reserves, without a detrimental loss of liquidity, a new company, Staplegrove Leasing, was formed, with a 90 per cent holding, to handle specific leasing operations.

	Half year 1979 £000	1978 £000
Group sales	8,480	4,962
Trading profit, etc.	921	718
Loan interest	10	11
Profit before tax	911	707
Corporation tax	474	378
Net profit	437	339

ARMITAGE SHANKS

At the annual meeting of Armitage Shanks Group, Mr. Kennedy Campbell, chairman, said overall profitability was continuing at levels which matched those of last year, and all divisions were contributing well.

International division had *achieved increased contributions* which more than offset the effect of the strengthening pound.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Algemene Bank Nederland, Gaskell (Bacup), William Jacks, *Renown Incorporated.*

Finals—Rowland Gaunt, William Jackson, Property Security Investment Trust, Radiant Metal, Wholesale Fittings.

FUTURE DATES

Interims—

AI Industrial Products	Aug. 23
American Trust	Aug. 21
Baynes (Charles)	Aug. 20
Philips' Lamps	Aug. 14
Squirrel Horn	Aug. 13
Whittingham (Wm.)	Aug. 23
Finals—	
AGB Research	Aug. 13
Garford-Lilley	Aug. 15
Glendevon Investment Trust	Sept. 10
McKay Securities	Aug. 14
Reliance Knitwear	Aug. 15
Heatmor	Aug. 21

Technology Trust rises to £628,000

Revenue of the Technology *In*vestment Trust increased from *£521,459 to £628,221 for the year* ended May 31, 1979, after tax of £161,472, against £119,966, and expenses of £95,407, compared with £88,477.

Gross reveue was 18.7 per cent higher at £1.12m (£0.94m). Earnings per 25p share are shown to have risen by 20.5 per cent to 3.18p (2.64p).

As already known, there is a net final dividend of 2.1p, making 3.1p for the year—some 19 per cent up on the single payment of 2.6p last time. Net asset value is 9.2 per cent ahead at 154p (141p).

At balance date, investments were up from £27.39m to £29.68m, of which £20.57m (£16.15m) was listed in the UK at market valuation and £9.13m (£11.06m) elsewhere.

In his annual statement, Mr. W. R. Merton, chairman, says as soon as the timing appears right the directors would like to restore the proportion of the company's funds invested overseas. A breakdown of portfolio distri*bution shows (in per cent)*: UK 69.6 (60.3); North America 24.3 (31.2); and other countries 6.1 (8.5).

The directors hope for a fur*ther satisfactory performance* on this year.

Meeting, 8 Crosby Square, EC, *September 5 at noon.*

Hawley Leisure upsurge

BOOSTED by acquisitions made during the period Hawley Leisure, formerly Hawley-Goodall Group, reports an upsurge in both turnover and profits for the first six months of 1979.

Turnover expanded from £477,506 to £2.88m and the taxable surplus jumped to £173,210 compared with £5,357 previously.

The group recovered to a £22,000 *profit in 1978 after losses* totalling £327,000 in the previous four years.

And directors are *lifting* the interim dividend from 0.05p to 0.3p net per 5p share. A 0.5p final is forecast which would make the year's total 0.8p (0.1p).

Tax for the half year is shown as £21,000 (nil) and there is an extraordinary debit of £7,060 (nil). The amount retained is £116,841 (£691).

Hawley manufactures camping equipment, canvas goods, *ropes*, etc.

LONDON TRUST

London Trust Company wishes to point out that it has no connection with London Investment Trust, a loss-making company which has recently reduced its capital as part of a restructuring. A report on changes in the share*holdings in London Investment* Trust appeared in the yesterday's Bids and Deals column.

Ratcliffs raises dividend 33%

Profits of Ratcliffs (Great Bridge), the *brass and copper* strip maker, were little changed in the half-year to June 30, 1979. On turnover up from £21.47m to £22.36m the taxable surplus stood at £836,000, *against £817,000, but* the dividend is being raised 33 per cent.

In March the directors warned that the start of the year had *been marred by strikes,* continued supply disruption in Canada and runaway copper prices. They then said that earnings would almost certainly fall short of the 1978 *record* when the company made £1.79m pre-tax profits.

The net interim dividend per 25p share is raised 0.75p to 1p and the Board *says that if the* year's results compare favourably with the previous year's *they expect to lift the final pay*ment from 1.3683p to 2p.

The directors add that second-half prospects are clouded by the possibility of a recession in the U.S. and the continued *strength* of sterling. *Nevertheless* they anticipate a satisfactory performance.

Tax for the year takes £417,000, compared with £406,000.

Aquis improves to £154,058 at midterm

Reflecting the sale of buildings and land at gross contract prices of £760,000, gross income of Aquis Securities jumped from £0.74m to £1.61m in the first half of 1979. *Pre-tax profits for the period moved ahead from* £89,499 to £154,058.

The directors state that they look forward with confidence to further growth. They report *that rental income continues to* increase, notwithstanding the fact that the Lex building in Brussels still presents problems. The company is currently not indebted to banks.

The sale *of* development property has been profitable, and an arrangement for a new lease*hold interest in one of the* company's major flat properties will enable individual flats to be sold, producing a steady flow of profits.

Tax for the first six months amounted to £101,606 (£72,000). Basic earnings per 5p share rose from 0.06p to 0.2p and fully diluted from 0.16p to 0.25p. The *net interim dividend is held at* 0.225p. Last year's total payment was 0.725p from profits of £520,000.

Mr. Harold Quitman, chairman, *has for some time expressed the* desire to be relieved of day-to-day management of business. The Board has decided to appoint Mr. John A. Bateman, to take over as managing director. Mr. Quitman has accepted an invitation to continue as *non-executive chairman.*

Diamond Stylus advances

A *33* per cent dividend increase is announced by the Diamond Stylus Company. The group also reported that taxable profits were up from £204,061 to *£251,585 in the year to March 31,* 1979 despite the continuing lack of world trade expansion.

The gross dividend per 10p share is being raised from an adjusted *0.904p to 1.258p* with a final of 0.835p.

Turnover for the year was up from £1.44m to £1.93m. Tax takes £104,044 (£106,362) leaving net profit of £147,542, against £97,699. Stated earnings *per share are up from 3.17p to 4.62p.*

At midway the company's taxable surplus was ahead from £58,419 to £80,116 and the directors then said they were *encouraged by the trading* results and expected the trend to continue.

Disputes leave David Smith £0.42m down—dividend up 2p

REFLECTING industrial disputes, profits before tax of vid S. Smith (Holdings), the iton photo-litho printer and rton maker, fell from £1.31m £0.89m in the year ended pril 30, 1979. At halfway a duction from £672,000 to 29,000 was reported.

Earnings per 20p share come at 7.8p compared with 11.5p. e dividend is being stepped from 2.66p to 4.75p, with a nal of 2.75p.

	1979 £	1978 £
les	6,804,000	7,353,000
ofit before tax	886,561	1,305,647
rporation tax	562,533	671,259
ferred tax credit	94,095	112,967
ofit after tax	420,123	821,421
ferred tax w/o	113,791	—
vidends	257,062	144,063
aving	276,862	477,358

† Charge.

Mr. David Smith, the chairman, explains that the factory rike last September together *ith the drivers' dispute resulted* a loss of sales of over £1m with consequential effect on profits.

He *reports* that trading to date is satisfactory with margins being restored to traditional levels. Orders on hand should ensure this continues for at least the first six months.

● comment

David S. Smith has suffered a 32 per cent drop in pre-tax earnings for the full year, combined with a decline in sales of over 14 per cent. The company has only one factory for its carton manufacturing, located in South Wales. This was hit by a strike for close to five weeks during the first half, with an estimated sales loss of about £1m. Profits plunged as well, the fall being helped along by the winter transport strike. Yet, the group has boosted its 1979 dividend by 78 per cent, a *very large increase for a com*pany with such a drop in earnings. The explanation for the dividend hike is that the payout had been forecast last year, at the time of the company's reconstruction scheme, in which *shareholders received* a cash distribution of 30p per share. The group has stuck to its prediction, even though the dividend is covered just 1.6 times. The yield is *9.4 per cent at 75p per share,* down 3p yesterday and the p/e comes to 9.3. Shareholders should *keep in mind* that 1979 represents the second consecutive year of declining pre-tax profits, but the order book is looking good and David S. Smith may be able to recover to its 1977 performance of more than £1.3m in profits if there are no harsh surprises.

FOOD PRICE MOVEMENTS

	August 9 £	Week ago £	Month ago £
BACON†			
Danish A.1 per ton	1,180	1,180	1,180
British A.1 per ton	1,140	1,140	1,120
Ulster A.1 per ton	1,140	1,140	1,120
BUTTER†			
NZ per 10 kg	13.20/13.37	13.20/13.37	—
English per 10 kg	16.78	16.78/16.46	—
Danish salted per 10 kg	17.15/17.89	17.18/17.89	—
CHEESE‡			
English cheddar	1,409/1,449	1,409	—
Irish cheddar	1,281.03	1,330/1,350	—
Danish cheddar	—	—	—
EGGS*			
Home produced:			
Size 4	3.10/3.30	3.20/3.30	2.80/3.20
Size 2	3.80/3.90	3.80/3.90	3.50/3.70
	August 9 p	Week ago p	Month ago p
BEEF			
Scottish killed sides ex-KKCF	60.0/66.0	62.0/67.0	66.0/70.0
Eire forequarters	40.0/43.0	39.0/41.0	44.0/46.0
LAMB			
English	56.0/60.0	56.0/60.0	66.0/70.0
NZ PLs/PMs	48.0/49.5	48.0/50.0	49.0/51.0
PORK			
All weights	34.0/43.0	34.0/43.0	34.5/44.0
POULTRY			
Oven-ready chickens	41.0/44.0	40.0/44.0	41.0/44.0

* London Egg Exchange price per 120 eggs. † Delivered. ‡ 20-kg rindless blocks, delivered, per tonne.

Carlton Real Estates

Profit after tax of Carlton Real Estates amounted to £42,561 in the six months ended June 30, 1979, *after tax of £28,370.* Earnings per share are stated at 0.93p.

In March the company acquired the capital of the two Carlton property companies and it is from the activities of these companies that the profit has been derived. In June the company acquired a third property, Spartan Investments.

Sir David Roche, chairman, states that the company has *significantly increased its net* assets which will be reflected in the year end accounts, as it is intended that a full professional valuation will be carried out as at November 30, 1979. The present property portfolio yields in a full year a net rental income of over £72,000.

It is intended to recommend *payment of* a dividend at the year end.

BROWN AND TAWSE

At the AGM the chairman of Brown and Tawse *said sales for* first four months of *current year showed an encouraging increase* over corresponding period. The directors remained confident in the outcome for the full year.

MINING NEWS

Amgold riding a wave of rising income

BY KENNETH MARSTON, MINING EDITOR

SPARKLING results for the half-year to August 31 are announced by **Anglo American Gold Investment (Amgold)**, the major South African gold mining investment company in which **Anglo American Corporation** has a stake of 48 per cent.

Earnings for the period have advanced to R52.3m (£28.1m) from R29.6m in the eight months to end-August 1978; because of its timing, investment income for the two periods is comparable. Market expectations of the latest interim dividend are surpassed with a payment of 175 cents compared with 100 cents a year ago.

Amgold is riding a wave of high prosperity with its rising dividends from the South African gold mining industry. Further increased dividends can be expected in the current half-year, notably from the Orange Free State mines which are due to declare their finals in October.

Although the group's investment income does not accrue evenly throughout the year, the chances are that the second half results will at least match those of the first half which produced earnings equal to 232½ cents (125p) per share.

Earlier forecasts of total 1979 earnings of around 370 cents and a minimum total dividend of 300 cents now have to be upgraded. A 1979 dividend total of 375 cents-400 cents seems to be more likely.

The market value of the group's quoted investments at August 8 was R1.16bn, equal to R52.64 (£28.34) per share. The latest results were not released during market hours yesterday when Amgold shares closed ½ up at £18¾ in a generally strong gold section.

Sidbec plant loses C$21m

CANADA'S iron ore and pellet-producing **Sidbec-Normines**, in which Quebec's **Sidbec** steel group holds 50.1 per cent and **British Steel Corporation** has 41.67 per cent, has suffered a first half loss of C$21.2m (£8.2m).

Sidbec-Normine's C$620m (£239m) pellet and concentrate upgrading plant at Port Cartier in northern Quebec started up at the end of 1977. It is intended to produce annually 3m tons of blast furnace pellets and 3m tons of low silica pellets.

But the operation has not yet reached full capacity because it is still in the start-up and breaking-in stage, according to Sidbec. At the same time however, it still has to bear heavy interest payments and matters have not been helped by the weakness of iron oxide pellet prices on the international market.

IMM group to visit China

THE current president of the Institution of Mining and Metallurgy, Dr. D. A. Temple, is to lead a group visit in October to the Peoples Republic of China at the invitation of the Chinese Society of Metals.

The mission, which has been arranged by the IMM, will consist of twenty members covering economic geology, mining engineering, mineral processing and extractive metallurgy.

The visit will be from October 15 to 30 and during the first week there will be lectures, technical presentations and discussions with senior officials in Peking. These will be followed by tours to research establishments, universities and mining and metallurgical complexes throughout the Peoples Republic.

Dr. Temple is to be succeeded by Mr. J. T. M. Taylor who has been elected IMM president for the 1980-81 session. Mr. Taylor is with the Union Corporation group and has been concerned with mineral exploration, mining, mine project evaluation and, more recently, with oil and gas exploration.

ROUND-UP

Bethlehem Copper, the major producer of copper and molybdenum in the Highland Valley district of British Columbia, has earned more in the first half of this year than in all of 1978. First half profits amount to C$4.46m (£1.73m), or 71 cents per share, compared with C$998,000 a year ago and the 1978 total of C$4.45m. An extra dividend of 10 cents will be paid with the regular quarterly distribution of 15 cents on September 14.

CDCP Mining, an affiliate of the **Construction and Development Corporation of the Philippines**, plans to start production of molybdenum in September. The initial annual export target is between 300 and 600 tonnes of concentrates. CDCP is also carrying out a feasibility study for the expansion of its copper concentrator which produces molybdenum as a by-product.

O. H. Steel Founders and Engineers of Sheffield, one of the steel foundries on the Glasgow-based **Weir group**, has won a £500,000 order for gold dredging equipment to be used in China. The order has been placed by **Mining and Transport Engineering** of Amsterdam which is building three dredges for Heilungkiang, the most northerly *province of China.*

Malaysiam Tin reports a net profit for the year to March 31 of £38,405 compared with £23,395 for 1977-78. The dividend is raised to 3.25p net, from 2.6p, payable September 28.

Tin production better in July

GENERALLY better tin concentrate outputs for July are reported by the Eastern mines in the **Malaysia Mining Corporation** group. **Ayer Hitam**, for example, has commenced its current financial year in a more encouraging style after the poor June output.

Despite a one-week closure of *its Takuapa dredge in Thailand,* **Southern Kinta** *has* produced more in the past month, bringing the total for the first four months of the current financial year to 575 tonnes against 556 tonnes a year ago. **Sungei Besi's** four-month total comes out at 683 tonnes against 649 tonnes.

Output at **Berjuntai**, however, remains disappointing. The mine's three-month total is lagging at 924 tonnes compared *with 1,140 tonnes a year ago.* As reported here yesterday, the fall in output for the year to April 30 outweighed the benefits of higher prices to leave Berjuntai with a lower profit of M$17.16m (£3.52m) against M$20.2m in 1977-78.

The group's latest production figures are compared in the following table.

	July tonnes	June tonnes	May tonnes
Aokam	138	93	95
Ayer Hitam	204	132	284
Berjuntai	298	303	323
Kamunting	51	48	54
Kramat	—	—	—
Kuala Kampar	38	33	30
Lower Perak	16	15	16
Malayan	338	304	338
S. Kinta Cons.	153	125	146
Sthn. Malayan	165	181	185
Sungei Besi	189	168	169
Tongkah Harbr.	37	36	47
Tronoh Mines	194	193	190

MINING INVEST.

The Mining Investment Corporation has sold its investment of 211,893 shares of **British Silbak Premier Mines** (38 per cent) for C$457,375 (£173,840). This compares with a book value of approximately £79,000.

A further C$42,625 (£16,200) in respect of the repayment of a loan is repayable to the company by British Silbak following satisfactory restructuring of its finances.

British Silbak is a Canadian registered mining investment company, which made a small loss in its last completed accounting period to January 31, 1979.

BIDS AND DEALS

Close outcome expected as Redman lifts offer

JUST A day before its offer closes, **Redman Heenan International** has increased its cash bid for **Wellman Engineering Corporation** by 5p to 70p per share. Taking in Wellman's proposed net final dividend of 1.41p per share, the offer values Wellman at just over £8m.

On the most recently published defence forecast, the increased terms imply an exit p/e of 8.4 and a yield of 6.7 per cent. Shares in Wellman climbed 3½p yesterday to 68p.

The bid has been accepted in respect of 6.1 per cent of the Wellman equity which, taken with the 18.87 per cent acquired before the bid and a further 1.1 per cent purchased during the offer, amounts to 26.07 per cent. Hambros Bank, advising Redman, owns a further 4.57 per cent which it will assent to the offer. The bidder thus controls 30.64 per cent.

In normal circumstances, the offer would not have been raised until the closing day when Redman would have been able to *count the* final level of acceptances and, if necessary, extend the offer for at least another two weeks. In this instance, Wellman holders will be voting on the proposed £5.17m acquisition of the U.S. General Electric's Industrial Heating Business Department at an EGM on Monday and Redman has again asserted that its offer will lapse if the IHBD deal goes ahead.

The Wellman *defence* stressed yesterday that the increased offer was "an attempt by Redman Heenan to frustrate the acquisition of IHBD and is not in the best interests of Wellman's business, its shareholders or its employees."

Certain institutional shareholders of Wellman are understood to have described Redman's first shot as being "a fraction on the mean side" and Hambros reacted yesterday to "kill this one beyond doubt" convinced that "a little bit more would swing the day."

Institutions would not, in most instances, expect to make a final decision until *this morning* and both sides admit that the outcome is "going to be a nail biter."

Sunley will get £16m for Isola

Bernard Sunley Investment Trust will receive more than £16m for Isola 2000, ski resort it owned in Southern France and has now sold to Middle Eastern interests, according to reports from Paris.

The resort, which has been making heavy losses, has been acquired by Societe Internationale pour L'Amangement et le Development Foncier (SIADF), a Beirut based real estate company. In the year to March, 1978 the resort lost £662,000 and similar losses were *expected in the 1979 season.*

Sunley's figures for the year are expected early next week. The company is currently involved in merger talks with Eagle Star.

The French ski resort includes around 1,000 apartments, three hotels, shops, restaurants, and sports facilities apart from skiing. French Government approval of the deal includes authorisation for the new owners to build an additional 850 apartments.

The recent oil crisis has raised a question mark over ski resort economics. The 1974 fuel crisis hit them hard.

WEDGWOOD TALKS SUSPENDED

Talks aimed at securing the eventual control by Wedgwood of the Italian ceramics company, Pozzi Ginori, have been suspended by mutual agreement.

Wedgwood says the reason for the suspension is uncertainty over the terms of the separation from Liquigas, the troubled Italian group, of its interest in Pozzi Ginori. The actual majority shareholder in Pozzi Ginori is the SAI insurance company, part of the financial empire to Sig. Rafaele Ursini.

The discussions were intended to arrange finance for the Italian company from an international group of bankers, with options for Wedgwood to acquire an eventual controlling stake. It is believed the vehicle for this would have been a five-year $35m convertible loan.

BRENT CHEMICALS ITALIAN DEAL

Brent Chemicals has paid L550m (£296,000) cash for Wyandotte SpA of Milan, formerly a subsidiary of BASF Wyandotte Corporation, which is part of BASF of West *Germany.*

The deal extends Brent's licence to market the Wyandotte range of speciality chemicals to Italy and southern Europe, thereby giving it full European coverage.

Wyandotte SpA's sales last year totalled L3.03bn (£1.63m), with pre-tax profits at L150m (£81,000). Net tangible assets were L140m (£74,000).

JOHN JAMES

The offer by **Wolseley-Hughes** to acquire the capital of **John James Group** have become unconditional as to acceptances.

Acceptances have been received in respect of 27,627,940 ordinary (about 98 per cent) of which 22,764,372 (including 9,220,000 held by Dawn James Charitable Foundation) are in respect of the cash offer. This has now closed.

Britannic renews its support for Bestobell independence

Renewed support for **Bestobell's** vigorous defence against the **BTR** bid has come from **Britannic Assurance**, which said yesterday it continued to oppose the increased terms.

"We are prepared to stay with Bestobell," said Mr. Frank Weaver, secretary and investment manager of Britannic which, with its 10 per cent stake, is Bestobell's largest shareholder.

Britannic asserted its desire to see Bestobell remain independent at the time of the first BTR bid, worth £26m. Since then, the offer has been raised to £29m on the basis of the new 220p cash offer, with an alternative exchange of 11 BTR shares for 15 of Bestobell.

Mr. Weaver said Britannic saw Bestobell as "a sound recovery situation," noting that BTR seemed to be trying to acquire it at the bottom of the cycle. Britannic is also a shareholder in BTR, with an interest of nearly 5 per cent.

Institutions hold around half of Bestobell's equity. Kleinwort Benson, the company's advisers, said yesterday that further institutional support was expected.

Taking their cue from the general market decline, shares of both companies slipped yesterday. Bestobell ended the day 2p down at 226p, while BTR lost 3p to close at 327p.

NO PROBES

The following proposed mergers are not to be referred to the Monopolies Commission:—

Rockware Group and the non-U.S. plastic container interests of Dart Industries Inc.; Scottish and Newcastle Breweries and Gough Brothers.

O. C. SUMMERS CHANGES HANDS

London and European Group has agreed to sell **O. C. Summers**, which specialises in underground pipelaying and repair, to John Laing Construction for £1.03m.

In addition, it is selling two properties occupied by Summers but owned by another London and European subsidiary to Laing for £177,000. Both amounts will be paid in cash, and intra-group balances of £403,000 will be repaid to Summers on or before completion.

Last year, Summers made a pre-tax profit of £118,000 on turnover of £8.4m. Net tangible assets at December 31 were £982,000, while the book value of the two properties to be sold was £127,200.

Summers, whose work is mainly carried out for British Gas, was one of three UK businesses of O. C. Summers (Holdings) acquired by London and European in 1977: the others are being retained.

ICFC BACKING

Industrial nad Commercial Finance Corporation has provided a £90,000 financial package for an existing customer, **Ad Makeup (Holdings)**. The company recently purchased new premises in King Street, Covent Garden, with ICFC funds.

BRITISH TAR £2M ACQUISITION

British Tar Products has paid around £2m for part of the business of **British Tanners Products**, which is half owned by the National Enterprise Board and called in the Receivers late last month.

It has acquired the fixed assets, stock and business of the company's chemicals division, Hodgson Tanning, whose main activities cover the extraction of tanning chemicals from vegetable materials and the manufacture of synthetic tanning chemicals and other products.

Half of the purchase price has been paid in cash. The rest is *being met by the issue of £1m* nominal of 10¾ per cent unsecured loan stock 1993.

The stock is unlisted and convertible at any time into ordinary shares of British Tar on the basis of one share for every 45p of the stock.

The stock has been placed by the Receivers with investment institutions, namely the National Coal Board Pension Funds, the British Rail Pension Funds, London Trust, and Jersey General Investment Trust.

With existing bank facilities and the stock issue, British Tar says it is satisfied that it has enough working capital for present needs.

HILL SAMUEL

Hill Samuel Group has acquired 56 per cent privately-held SSI, a computer-based consulting firm in North Carolina, for an undisclosed sum.

SSI's 1978 sales were about $1m and for 1979 they are expected to be over $1.8m.

TDG PURCHASE

Freight Transport Holdings (a subsidiary of **Transport Development Group**) has acquired **J. Pickup and Son (Holdings)** for £150,000.

The trading subsidiary is based at Bolton, and operates a general haulage fleet of 28 vehicles and 18 trailers.

RESULTS AND ACCOUNTS IN BRIEF

SYLTONE (engineering, pipe system supply and wholesale electrical distribution group)—Results for year to March 31, 1979, reported July 19. Group fixed assets £1.69m (£1.37m), net current assets £3.04m (£2.24m). Bank overdraft increased by £74,772 (£466,113). Meeting, Bramhope, Leeds, September 5, at 2.30 pm.

VINTEN GROUP (cameras, photographic equipment)—Results for year ended March 31, 1979, reported July 17. Group *fixed assets* £1.57m (£1.18m). Current assets £4.52m (£3.75m). Current liabilities £2.06m (£1.69m). Net liquid funds increased £382,798 (£404,461). Chairman says it is particularly difficult to predict the likely level of sales and profitability for 1979-1980. Having *regard* to increased strength of sterling, directors say group might have some difficulty in maintaining margins on export business later in year. Meeting, Bury St. Edmunds, August 30, at noon.

CAWDAW INDUSTRIAL HOLDINGS (textile and timber group)—Results for the year to March 31, 1979, reported June 29. Group fixed assets £2.41m (£2.4m). Current assets £5.07m (£4.64m). Current liabilities £3.32m (£3.05m). Chairman is confident of further growth. Meeting, Manchester, on September 6, at noon.

ANGLO - INTERNATIONAL INVESTMENT TRUST—Pre-tax revenue for six months to June 30, 1979, £215,327 (£168,176). Tax £61,487 (£61,002). Net asset value 238p (227p). Interim 1.5p (1p). Board says increase in interim is to reduce disparity. It should not be taken as indication that total distribution will be increased in same proportion.

HENRY DENNY AND SONS (bacon curer, meat packer and canner)—Turnover half year to March 31, 1979, £14,412,000 (£12,246,000). Pre-tax profit £268,706 (£198,757). Tax nil (same). Comparisons adjusted. Ordinary dividend absorbs £28,898 (£20,499). *Company is subsidiary of* E. M. Denny (Holdings).

DAVID DIXON AND SON (LEEDS) (woollen cloth maker, subsidiary of David Dixon and Son (Holdings))—Dividend 9.6p year to March 31, 1979 (4.9697p). Turnover £2,788,967 (£2,104,068). Net profit £89,197 (£147,017) after tax £122,425 (£61,088). Earnings per share 11.25p (17.05p).

ASSAM-DOOARS HOLDINGS — The directors say it is hoped the 1978 accounts will be available in early November, 1979.

SOUTHEND STADIUM — Greyhound meetings first half 1979 65 (63). Totalisator retention £112,145 (£97,528). Average £1,725 (£1,548). Operating receipts £268,020 (£245,300). Operating profit £25,567 (£34,389) and rents and investment income £26,832 (£21,098), giving pre-tax profit £52,399 (£55,487). Attendances affected in early part of year by severe weather. They have now recovered but the increase in VAT must influence future attendances and profit.

AILSA INVESTMENT TRUST—Gross income for year ended *May 31, 1979,* £722,719 (£627,528). Revenue £434,517 (£361,256) after tax £223,468 (£189,358). Earnings per 25p share 6.07p (5.01p). Net asset value 171p (142p). Final 3.33806p, making 5.83806p (4.8271p).

RIGHTS AND ISSUES INVESTMENT TRUST—Pre-tax revenue for first half 1979 £75,962 (£57,046) after interest and management expenses £11,753 (£9,064). Tax £28,345 (£19,554). NAV per 25p capital share 66.11p (49.43p) and per 25p income share 58.35p (37p). Interim dividend 1p (same) on income shares. Dividend on capital shares will be included in final payment.

SOUND DIFFUSION—Results for 1978 reported June 16. Group fixed assets £5.54m (£4.45m). Current assets £2.15m (£1.56m). Current liabilities £979,000 (£1.02m). Shareholders funds £4.07m (£2.98m). Decrease in liquid funds £328,000 (£835,000). Chairman says so far in current year group has obtained new high quality rental business at record rate. Houston Financial Services holds 13.6 per cent of issued equity. Meeting, Hove, August 31, at 5.30 pm.

ANGLO AMERICAN CORPORATION—Coal division sales output for July (figures in metric tons) Republic of South Africa: Bituminous: Anglo American Coal Corp. 2,691,855. Other Collieries: Vierfontein 157,481, Zuinguin Natal 31,394. Anthracite: Natal Anthracite 94,951. Rhodesia: Wankie (coal) 177,039 (coke) 22,760. Swaziland: Swaziland Collieries 3,554. Botswana: Morupule 30,846. Group total 3,209,900.

BRISTOL STADIUM — Turnover for half-year to June 30, 1979, was £255,449 (£271,907). Deduct expenditure (including depreciation) of £230,369 (£237,080) and general betting duty £18,258 (£18,784) leaving net operating profit £6,822 (£16,043). Add investment income £3,260 (£2,109), profit on sale of fixed asset £502 (nil) and profit on redemption of preference shares nil (£1061), making pre-tax profit £10,584 (£18,258). Tax takes £5,504 (£9,494). Attendances were up 6.5 per cent over same period last year, compared with national decrease of 0.4 per cent. Tote turnover up 8.8 per cent, compared with national increase of 6.4 per cent. Reduction in turnover due to loss of revenue from speedway meetings.

BENLOX HOLDINGS (building contractor)—Results for year to February 28, 1979, *and prospects,* reported July 21. Group fixed assets £306,480 (£387,212), net current liabilities £85,810 (£255,464). Debtors increased by £4,606 (£44,928 decrease). Creditors decreased by £78,660 (£200,497). Bank balances and cash increased by £103,464 (£253,249). Thornton Baker, auditors, are unable to form an opinion on the accuracy of the division of the losses between operating losses of £2,004 and extraordinary losses of £50,718. Meeting, Winchester House, EC, August 23, at 2.30 pm.

Hallite halved to £528,000

Taxable profits of **Hallite Holdings**, the synthetic rubber and plastic precision seals group, were more than halved in the year to April 28, 1979. The group saw the taxable surplus tumble from a record £1.07m to £528,024 on turnover of £7.15m, against £7.02m.

Substantially lower profits were forecast at midway when the pre-tax surplus was down from £432,189 to £115,980. The directors then said orders from the UK remained low, but continued progress was expected in overseas markets.

But they now point to an improving profits trend in the second half of last year, and expect to see the year-end surplus improve for 1979/80. Orders in hand are at a satisfactory level.

After tax of £212,090, against £298,817, stated earnings per share are well down from 33.73p to 13.75p. But the net payment per 50p share is lifted from 6.52p to 6.7497p with a final of 4.5997p.

Comparative figures for the year have been restated following the adoption of SSAP 12 and SSAP 15.

In his annual statement, Mr. H. H. M. Harmer says work on developing and proucing sealing products for offshore oil well drilling is being rewarded. Large orders received this year are ensuring a good return on investment.

The group also expects to continue to share in the growing mining developments in the UK and abroad. It has established good contacts with Eastern Europe and benefits from these are expected to come through during 1980.

Mr. Harmer says Hallite Plastics is one of the leaders in the pneumatics field and the returns on this group technical and marketing effort will start to be reflected in the latter part of the current year.

On exports, generally the chairman is looking for another increase this year—during the last 12 months the group lifted exports by a third to £1.42m.

EPIC finishes ahead at £1.4m and pays 4.25p

PRE-TAX income of **Estates Property Investment Company** rose from £1.14m to £1.39m for the year ended April 30, 1979, and the net dividend is stepped up to 4.25p with a final of 2.75p, last year's total being 2.359p.

Earnings per 25p share are shown at 4.8p, compared with 3.58p.

Tax took £470,000 (£343,000) and there was interest of £219,000 (£268,000) arising in the UK attributable to the Belgian development. The available surplus came through at £703,000 (£524,000) and with the unappropriated profit of £570,000 (£392,000) brought forward made £1.27m (£916,000).

Dividends will absorb £622,000 (£346,000) leaving £651,000 *(£570,000) to be carried forward.*

All group properties, except one which is in the course of being sold, were revalued as at April 30 at £41.32m. This produced a surplus over book value of £15.81m after deducting minority interests resulting in a net asset value per share of 194p.

The company's ... remittances, and amounts totalling £905,755 have been received. This is the first part of the post tax profit earned in 1975 and the initial annual instalment of loan capital repayable by the company's new Indian subsidiary over a five-year period. The group expects payments of the money due (amounting to £5.33m) to continue and another remittance is expected soon.

Wolf Tools declines to £1.08m

LOWER margins due to a lack of growth in international trade, and severe price competition generated by strong sterling left sales and profits of **Wolf Electric Tools (Holdings)** down for the first six months of 1979.

On sales of £9.16m for the six months, against £9.32m, taxable profits were £1.08m, compared with £1.38m.

Results in the home markets continue to be satisfactory and the second half should provide some improvement in all areas. But the directors say that profits for the full year are likely to fall somewhat short of the record £2.97m for 1978.

Mr. G. M. Wolfe, chairman, says the prospects for the rest of 1979 do not indicate any significant upturn in business.

The high level of sterling and the continuing increase in manufacturing costs, "makes it increasingly difficult for the overseas subsidiaries to maintain their level of sales and to earn an acceptable rate of profit," he adds.

The net interim dividend is raised from 0.625p to 0.85p per 25p share and an additional 0.06333p is payable for 1978 on ACT reduction—last year's final was 0.78944p.

Year-end fall to £2.5m for Assam Inv.

Taxable profits of **Assam Investments** fell *from* £3.74m to £2.46m in 1978. And the directors say that because of the seasonal nature of the company's business, results for the next accounting period, the 18 months to June 30, 1979, must be much lower than for 1978 alone.

Tax for the year takes £1.89m, against £2.85m, and there are minorities this time of £164,000.

The Board adds that the Indian Government has permitted resumption of remit-

Optimism at Abwood

Turnover at **Abwood Machine Tools** for the first quarter of 1979-80 continues the satisfactorily improving trend begun last year, Mr. G. Suckling, chairman, says in his annual statement.

This, together with the present level of the order book, gives him reasonable justification for further optimism in the current year.

As already known, taxable profits reached £75,109 (£42,684) in the year to March 31, 1979, on turnover ahead to £1.29m (£0.92m). A rights issue was announced at the same time as the results.

BANK RETURN

BANKING DEPARTMENT

	Wednesday Aug. 8 1979 £	Increase (+) or Decrease (—) for week £
Liabilities		
Capital	14,553,000	
Public Deposits	24,158,554	— 5,707,418
Special Deposits	91,955,000	—
Bankers Deposits	428,857,438	— 100,414,091
Reserves & other Accounts	674,118,865	— 48,280,776
	1,233,643,857	—154,402,285
ASSETS		
Government Securities	850,800,471	— 180,423,500
Advances & Other Accounts	155,950,912	— 17,638,180
Premises Equipment & Other Secs.	222,117,719	+ 36,242,841
Notes	24,548,088	+ 7,363,995
Coin	226,657	+ 42,559
	1,233,643,857	—154,402,285

ISSUE DEPARTMENT

	£	£
Liabilities		
Notes Issued	9,600,000,000	— 50,000,000
In Circulation	9,575,451,912	— 57,363,995
In Banking Department	24,548,088	+ 7,363,995
ASSETS		
Government Debt	11,015,100	—
Other Government Securities	8,414,637,434	— 33,696,505
Other Securities	1,174,347,466	— 16,303,495
	9,600,000,000	— 50,000,000

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CURRENCIES, MONEY and GOLD

Dollar eases, pound firms

DOLLAR'S recent period ative stability came to an halt in currency markets day afternoon, with the ncement of a 1.1 per cent in the U.S. Wholesale Index for July. Most t participants had expected re of somewhat less than cent. Trading in the ng had been fairly subdued was only during the latter f the day that the dollar's o prompted the Federal e Bank, and possibly other l banks to support the

inst the D-mark it closed at .8235, down from a day's of DM 1.8270 and Wednes close of DM 1.8295. irly against the Swiss franc shed at SwFr 1.6510 after h of SwFr 1.6550 and a us close of SwFr 1.6580. ank of England figures, its weighted index fell to 84.4 86.6.

ling showed a fairly strong vement over most curren- notably the dollar. After ng at $2.2235-2.2245, it rose 2310 initially before falling 2.2190 in rather nervous g. Once again the thin tions tended to exaggerate ncy movements. With the weakening during the noon, sterling seemed to it more than most, and ed a top for the day of 5 before closing at $2.2350-, a rise of 2 cents.

inst the D-mark it rose to .08 from DM 4.0550 and to FFr 9.4825 from FFr 9.4175 in terms of the French franc. On Bank of England figures, the pound's trade weighted index rose to 71.1 from 70.6, having stood at 70.9 in the morning and 70.7 at noon.

FRANKFURT—There was no intervention by the Bundesbank yesterday when the dollar was fixed at DM 1.8258, down from *Wednesday's level of DM 1.8325.* Trading remained fairly quiet but the fall of the dollar to below DM 1.83 was taken in some quarters as an indication of a slow turnaround in sentiment, with the market tending towards a more bearish outlook once again.

MILAN—The lira improved against the dollar and sterling in fairly quiet conditions and the Bank of Italy abstained from any intervention. The U.S. unit eased to L817.7 from L820.1 and sterling slipped to L1,816.4 from L1,817.5 on Wednesday, showing a much steadier tone after its recent sharp fall.

TOKYO—The dollar was slightly weaker against the yen yesterday and finished at Y216.35 compared with Wednesday's close of Y216.75. Trading was generally subdued and the U.S. unit stayed within a narrow band during the day. The market in Tokyo closed before the announcement of the U.S. Wholesale Prices index, and this tended to dampen down the volume of trading.

THE POUND SPOT AND FORWARD

Aug. 9	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2190-2.2385	2.2350-2.2360	0.65-0.55c pm	3.57	1.73-1.63 pm	2.95
Canada	2.5860-2.6255	2.6220-2.6230	0.50-0.40c pm	2.06	1.60-1.50 pm	[illegible]
Nethlnd.	4.44-4.49	4.47½-4.48½	2¾-1¾c pm	5.02	6-5 pm	4.91
Belgium	64.60-65.35	65.20-65.30	15-5c pm	1.84	42-32 pm	2.27
Denmark	11.67-11.74½	11.72¾-11.73¾	¾-2¾ore dis	−1.78	3¼-5¼ dis	−1.61
Ireland	1.0790-1.0840	1.0810-1.0820	30-40 dis	−3.88	85-95 dis	−3.33
W. Ger.	4.05-4.09	4.07½-4.08½	3⅛-2⅛pf pm	7.72	8⅜-7⅜ pm	7.48
Portugal	109.10-110.20	109.70-110.00	40-100c dis	−7.65	110-210 dis	−5.83
Spain	146.60-147.35	146.65-146.75	185-245c dis	−18.00	510-610dis	−15.23
Italy	1,815-1,828	1,826½-1,827½	3½-1½ lire pm	1.64	1½ pm-½ dis	0.54
Norway	11.14-11.21½	11.20-11.21	4¾-2¾ore pm	4.02	12½-10½ pm	4.11
France	9.41-9.49	9.47¾-9.48¾	2¾-1¾c pm	2.84	6-5 pm	2.32
Sweden	9.36-9.42½	9.41-9.42	2ore pm-par	1.27	4¾-2¾ pm	1.59
Japan	478-485	482¾-483¾	3.55-3.25y pm	8.44	9.95-9.60 pm	8.09
Austria	29.60-29.85	29.77-29.82	35-15gro pm	10.07	58-48 pm	7.12
Switz.	3.66-3.70	3.68¾-3.69¾	4¾-3¾c pm	12.59	11¾-10¾ pm	12.32

Belgian rate is for convertible francs. Financial franc 67.75-67.85c pm. *Six-month forward dollar 3.02-2.92c pm; 12-month 5.05-4.95c pm.*

THE DOLLAR SPOT AND FORWARD

Aug. 9	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2190-2.2385	2.2350-2.2360	0.65-0.55c pm	3.22	1.73-1.63 pm	3.01
Ireland†	2.0595-2.0650	2.0620-2.0640	1.45-1.15c pm	7.56	3.75-3.55 pm	7.07
Canada	1.1686-1.1725	1.1722-1.1725	0.09-0.12c dis	−1.07	0.19-0.22dis	−0.69
Nethlnd.	1.9990-2.0030	2.0015-2.0030	0.83-0.73c pm	4.67	1.70-1.55 pm	3.24
Belgium	29.14-29.185	29.17-29.185	1-2½c dis	−0.71	4-6 dis	−0.68
Denmark	5.2470-5.2625	5.2470-5.2485	2.00-2.50ore dis	−5.14	6.00-6.50dis	−4.76
W. Ger.	1.8215-1.8260	1.8230-1.8240	0.74-0.64pf pm	4.54	2.06-1.96 pm	4.41
Portugal	49.05-49.25	49.05-49.15	[illegible]	−8.55	90-130 dis	−8.96
Spain	66.04-66.71	66.04-66.08	120-160c dis	−25.43	320-360dis	−20.58
Italy	816.80-818.20	816.80-817.20	1.40-1.90 lire dis	−2.42	7.25-8.25dis	−3.79
Norway	5.0100-5.0245	5.0100-5.0110	0.55-0.05ore pm	0.71	2.10-1.60 pm	1.47
France	4.2380-4.2440	4.2410-4.2425	0.14-0.22c dis	−0.50	0.73-0.88dis	−0.75
Sweden	4.2095-4.2170	4.2095-4.2105	par-0.20ore dis	−0.28	0.75-0.95dis	−0.80
Japan	215.60-216.45	215.80-216.00	1.00-0.85y pm	5.14	2.80-2.65 pm	5.04
Austria	13.315-13.348	13.319-13.324	5.50-5.00gro pm	4.72	14.50-13.00pm	4.12
Switz.	1.6470-1.6550	1.6505-1.6515	1.41-1.36c pm	10.06	3.96-3.91 pm	9.53

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

Aug. 9	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	14	0.585813	0.622530
U.S. $	10	1.30109	1.39482
Canadian $	11¾	1.52579	1.61858
Austria Sch	3¾	17.3568	18.4666
Belgian F	9	37.9658	40.4125
Danish K	9	6.84634	7.28345
D Mark	5	2.37653	2.52785
Guilder	8	2.60548	2.77213
French Fr.	9½	5.52062	5.87509
Lira	10½	1063.97	1132.44
Yen	5¼	281.556	299.495
Nrwgn. K	7	6.53733	6.95456
Spanish Pes.	8	85.8954	91.4880
Swedish Kr.	7	5.48474	5.83813
Swiss Fr.	1	2.15200	2.28911

CURRENCY MOVEMENTS

Aug. 9	Bank of England Index	Morgan Guaranty changes %
Sterling	71.1	−34.1
U.S. dollar	84.4	−8.8
Canadian dollar	80.5	−17.5
Austrian schilling	148.5	+19.6
Belgian franc	114.3	+13.8
Danish kroner	113.9	+2.5
Deutsche mark	152.0	+42.4
Swiss franc	197.5	+81.5
Guilder	123.6	+18.7
French franc	99.2	−7.2
Lira	55.3	−48.8
Yen	132.2	+30.9

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

August 9	£	$		£ Note Rates
Argentina Peso	3084-3104	1380-1389	Austria	29-30
Australia Dollar	1.9626-1.9725	0.8780-0.8825	Belgium	67-68
Brazil Cruzeiro	59.26-60.26	26.50-26.95	Denmark	11.65-11.80
Finland Markka	8.53-8.55	3.8345-3.8365	France	9.40-9.50
Greek Drachma	80.467-82.397	36.00-36.85	Germany	4.00-4.10
Hong Kong Dollar	11.53-11.54	5.1530-5.1560	Italy	1,800-1,850
Iran Rial	156.90-163.50	70-74	Japan	480-490
Kuwait Dinar (KD)	0.608-0.618	0.2720-0.2765	Netherlands	4.40-4.50
Luxembourg Frc.	65.00-65.10	29.17-29.18	Norway	11.10-11.25
Malaysia Dollar	4.80¼-4.81¼	2.1580-2.1590	Portugal	102-108
New Zealand Dlr.	2.1945-2.2045	0.9820-0.9860	Spain	145-155
Saudi Arab. Riyal	7.43-7.53	3.3598-3.3605	Switzerland	3.60-3.70
Singapore Dollar	4.80-4.81	2.1570-2.1580	United States	2.23-2.24½
Sth. African Rand	1.8675-1.8775	0.8356-0.8400	Yugoslavia	43-44

Rate given for Argentina is free rate.

EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU August 9	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.4582	40.4125	+2.42	+1.26	±1.53
Danish Krone	7.08592	7.28345	+2.79	+1.63	±1.635
German D-Mark	2.51064	2.52785	+0.69	−0.47	±1.1325
French Franc	5.79831	5.87509	+1.32	+0.16	±1.35
Dutch Guilder	2.72077	2.77213	+1.89	+0.73	±1.5075
Irish Punt	0.662638	0.671753	+1.38	+0.22	±1.665
Italian Lira	1148.15	1132.44	−1.37	−1.37	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

August 9	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lire	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.236	4.080	483.5	9.485	3.693	4.480	1827.	2.623	65.25
U.S. Dollar	0.447	1.	1.825	216.2	4.242	1.652	2.004	817.5	1.173	29.19
Deutschemark	0.245	0.548	1.	118.4	2.324	0.905	1.098	447.8	0.643	15.99
Japanese Yen 1,000	2.069	4.626	8.445	1000.	19.62	7.641	9.271	3781.	5.427	135.0
French Franc 10	1.055	2.358	4.303	509.6	10.	3.894	4.724	1927.	2.766	68.81
Swiss Franc	0.271	0.606	1.105	130.9	2.568	1.	1.213	494.8	0.710	17.67
Dutch Guilder	0.223	0.499	0.911	107.9	2.117	0.824	1.	407.8	0.585	14.56
Italian Lira 1,000	0.547	1.224	2.232	264.5	5.190	2.021	2.452	1000.	1.435	35.71
Canadian Dollar	0.381	0.852	1.556	184.3	3.616	1.408	1.708	696.7	1.	24.88
Belgian Franc 100	1.533	3.425	6.253	740.6	14.53	5.659	6.866	2800.	4.019	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.80-10.90 per cent; three months 10.90-11.00 per cent; six months 10.90-11.00 per cent; one year 10.60-10.70.

Aug. 9	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	14-14¼	10⅝-10⅞	10½-11½	8⅝-8⅞	½-¾	6 1/16-6 3/16	10⅝-10⅞	10-11	—	2¼-7¾
7 days' notice	14-14½	10 11/16-10 15/16	10½-11½	8⅝-8⅞	½-⅞	6 1/16-6 3/16	10⅜-10⅝	11-13	10¾-10⅞	5-6 1/16
Month	14⅛-14 7/16	10¾-11⅛	11⅛-11⅜	8 11/16-8⅞	1¼-1⅜	6¼-6⅜	11¼-11½	12-13	10 15/16-10 13/16	5½-6 1/16
Three months	14⅛-14½	10⅞-11⅛	11⅛-11⅜	9-9¼	1 5/16-1 7/16	6½-6⅝	11⅝-11¾	13½-14½	10¾-10⅞	5⅞-6 1/16
Six months	13⅞-14¼	11-11¼	11⅛-11 5/16	9 1/16-9⅛	2⅛-2¼	6 7/16-6 9/16	12-12¼	14-15	10⅞-11 1/16	6-6⅛
One year	13¼-13⅝	10⅝-10⅞	10 15/16-11 3/16	9-9⅛	2 1/16-2 3/16	6 5/16-6 7/16	12-12¼	13½-14½	10⅝-10 13/16	6-6⅛

Long-term Eurodollar: two years 10 5/16-10 9/16 per cent; three years 10 5/16-10 9/16 per cent; four years 10 5/16-10 9/16 per cent; five years 10-10⅛ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Paris rates unchanged

The Bank of France bought FFr 4bn of first category paper from the market yesterday at an unchanged rate of 10¼ per cent, thus continuing the much steadier trend seen recently in French interest rates. Yesterday's action was a repeat performance of the previous Thursday when the Bank's decision to buy at an unchanged rate of 10¼ per cent was taken as an indication of their desire not to see call money above 10¼ per cent.

Call money yesterday was quoted at 10¼ per cent, down from Wednesday's figure of 10⅜ per cent. Longer periods were mostly unchanged, with one-month money at 10 5/16-10 9/16 per cent, compared with 10½-10⅝ per cent, and three-month money at 10⅜-10⅝ per cent. The six- and 12-month rates were also static at 10 11/16-10 13/16 per cent and 10¾-10⅞ per cent respectively.

FRANKFURT — Call money continued to show a firmer tendency and was quoted at 6.20-6.30 per cent against 6.15-6.25 per cent previously. One-month money stood at 6.40-6.55 per cent from 6.40-6.50 per cent and three-month money remained at 6.90-7.00 per cent. The six-month rate firmed to 7.30-7.40 per cent from 7.25-7.35 per cent while 12-month money eased to 7.35-7.45 per cent from 7.40-7.50 per cent.

As expected the Bundesbank made no policy changes yesterday after a meeting of the Central Bank council.

AMSTERDAM—Interbank rates showed no clear trend yesterday, with call money quoted at 8½-8¾ per cent from 8¾-8⅞ per cent and one-month money at 8¾-9 per cent down from 9-9¼ per cent previously, while the three-month rate stood at 9¼-9½ per cent against 9⅜-9⅝ per cent.

BRUSSELS—Deposit rates for the Belgian franc (commercial) were unchanged for one and three-month at 11¾-12¼ per cent. Six-month deposits rose to 11¾-11⅞ per cent from 11½-11¾ per cent and 12-month deposits were firmer at 10¼-10⅝ per cent from 10⅜-10½ per cent.

HONG KONG—After a steady start conditions in the money market became much easier during the afternoon. Call money was quoted at 11¾ per cent with overnight business dealt at 10¼ per cent.

GOLD

Further rise

GOLD CONTINUED to improve in the London bullion market yesterday, and finished at $296-$296¾, a rise of $5 an ounce. Trading was very hectic with sustained demand for the metal pushing the price to a high of $297¼-297¾. Gold has now risen *$14½ an ounce since Monday.*

In Paris the 12½ kilo bar was fixed at FFr 42,600 per kilo ($312.28 per ounce) compared with FFr 42,450 ($311.12) in the morning and FFr 41,800 ($305.76) on Wednesday afternoon.

In Frankfurt, the 12½ kilo bar was fixed at DM 17,340 per kilo ($295.37 per ounce) against DM 16,960 ($287.83) previously.

	Aug. 9	Aug. 8
Gold Bullion (fine ounce)		
Close	$296-296¾ (£132.5-132.5)	$291-291¼ (£131.4-131.6)
Opening	$293-293¾ (£131.4-131.8)	$286½-287½ (£128.2-128.6)
Morning fixing	$292.75 (£131.543)	$287.10 (£129.763)
Afternoon fixing	$297.10 (£132.951)	$289.00 (£130.917)
Gold Coins, domestically		
Krugerrand	$304-306 (£136¼-137¼)	$300.1-302.1 (£135-136)
New Sovereigns	$76¾-78¾ (£35¼-36¼)	$74.30-76.30 (£33½-34½)
Old Sovereigns	$102½-104½ (£45¾-46¾)	$100.3-102.3 (£45¼-46¼)
Gold Coins, internationally		
Krugerrand	$304-306 (£136¼-137¼)	$300.1-302.1 (£135-136)
New Sovereigns	$76¾-78¾ (£35¼-36¼)	$74.30-76.30 (£33½-34½)
Old Sovereigns	$102½-104½ (£45¾-46¾)	$100.3-102.3 (£45¼-46¼)
$20 Eagles	$422½-434½	$416-423
$10 Eagles	$233-236	$230-235
$5 Eagles	$176-181	$173-175

LONDON MONEY MARKET

Adequate credit supply

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979)

There was no intervention by the Bank of England in the London money market yesterday and discount houses managed to balance their books quite adequately. Trading was generally at a low level with few factors to affect market conditions. Funds were drained by a small net take up of Treasury bills and settlement of a small amount of gilt sales. On the other hand there was a slight fall in the note circulation. Discount houses were paying around 13½ per cent for secured call loans at the start with closing balances taken at 13¼-13¾ per cent.

In the interbank market overnight loans opened at 13¾-13⅞ per cent and eased to 13¼-13¾ per cent where most of the morning and early afternoon trading took place. By 3 pm however demand pushed up the rate to 14½-15 per cent with closing balances taken anywhere between 20 per cent and 25 per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Aug. 9 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	13½-25	—	—	—	14¼	13½-13¾	—	—	—
2 days notice	—	—	14-14½	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	14¼	13¾	—	—	—
7 days notice	—	13¾-14	14⅛-14	—	14⅛	14-14⅛	13⅝	13 7/16	14 3/16-14⅛	14½
One month	14⅛-14	14-14⅛	14-14⅛	15-14⅝	14⅛	—	[illegible]	13⅜	14 3/16-14⅛	14½
Two months	14⅛-14	14 1/16-14 3/16	—	14½-14¼	14⅛	14⅛	13⅝	13 11/16	13 13/16-13¾	14⅛
Three months	14⅛-13 13/16	14 1/16-14 3/16	13⅞-14	14⅛-13⅞	14⅛	—	—	—	12 13/16-13 11/16	13½
Six months	13⅝-13¼	13 11/16-13 13/16	13½-13⅞	13½-13⅛	13⅞	—	—	—	—	—
Nine months	12 11/16-12 15/16	12⅞-13	—	13⅛-12¾	13⅝	—	—	—	—	—
One year	12 11/16-13 1/16	12⅞-12⅝	13	12¾-12⅝	13	—	—	—	—	—
Two years	—	—	12⅞-13	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days fixed. *Long-term local authority mortgage rates nominally three years 12⅞-13 per cent; four years 12⅞-13 per cent; five years 12⅞-13 per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13¾ per cent; four-month trade bills 14 per cent.

Approximate selling rate for one-month Treasury bills 13 7/32-13 15-64ths per cent; two month 13⅝ per cent; three-month 13⅜-13 7/32 per cent. Approximate rates for one-month bank bills 14 1/32-14 3/32 per cent; two-month 14-14 1/16 per cent; three-month 13 29/32-13 29/32 per cent; one-month trade bills 14¾ per cent; two-month 14⅝ per cent; and three-month 14 per cent.

Finance House Base Rates (published by the Finance Houses Association) 14 per cent from August 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 13.3652 per cent.

MONEY RATES

NEW YORK

Prime Rate	11.5-11.75
Fed Funds	10.6875
Treasury Bills (13-week)	9.40
Treasury Bills (26-week)	9.38

GERMANY

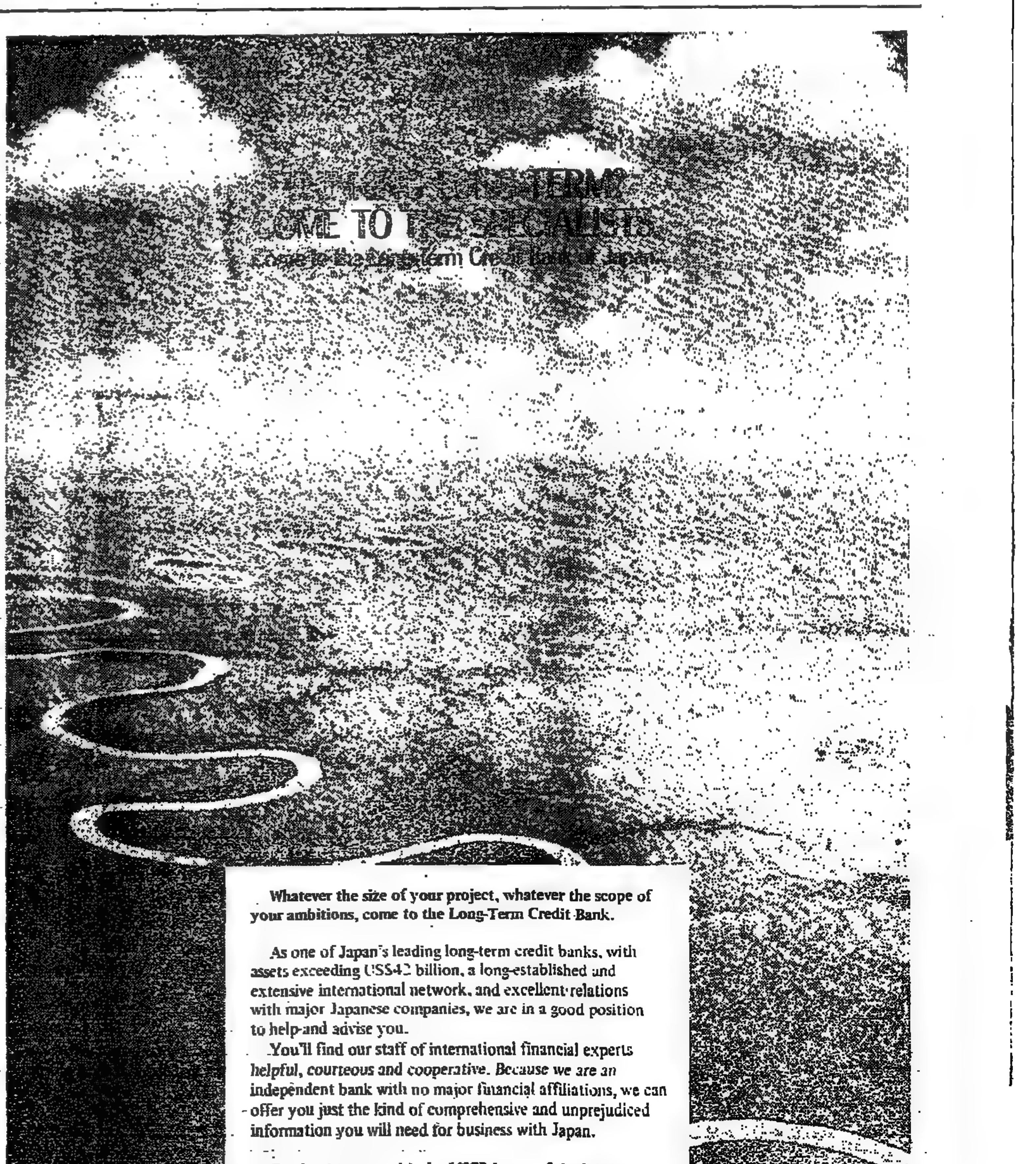
Discount Rate	5
Overnight Rate	6.25
One month	6.475
Three months	6.95
Six months	7.35

FRANCE

Discount Rate	9.5
Overnight Rate	10.25
One month	10.5
Three months	10.6875
Six months	10.75

JAPAN

Discount Rate	5.25
Call (Unconditional)	6.625
Bills Discount (three-month)	7.0



NORTH AMERICAN NEWS

Lehman moves into real estate services

By Our New York Staff

THE DIVERSIFICATION of U.S. securities companies into real estate services has been taken a significant stage further by Lehman Brothers Kuhn Loeb, a leading Wall Street investment bank, which is to acquire one of the country's top mortgage brokers, Sonnenblick-Goldman Corporation.

Lehman's managing directors, said yesterday that Sonnenblick-Goldman would merge with Lehman's two existing real estate divisions, Howard P. Hoffman Associates and Lehman Realty, and would be responsible for running them.

Mr. Arthur I. Sonnenblick, the company's president and chief executive, will join the Lehman board. Lehman would not reveal the purchase price yesterday, but the speculation here was between $15m and $20m.

Lehman's move into mortgage broking follows a similar strategy set by Merrill Lynch, whose acquisitions, however, have not been of the same size as Sonnenblick-Goldman, which is thought to be the largest U.S. mortgage broker. It arranged some $770m of mortgage financings in the first six months of this year and $100m of equities financing. It has its headquarters in New York, and employs just over 100 people in 11 U.S. offices.

Commission clears bidders for Bodcaw

By Our New York Staff

THE THREE bidders for Bodcaw, the closely-held Texas timber company, have received provisional clearance from the Federal Trade Commission. But the FTC may try to reverse a takeover later if it deems it anti-competitive.

The bidders are International Paper, which has offered $610m in preferred stock, and Weyerhaeuser the wood and carton manufacturer, which has bid $695m in cash. Mobil, is also involved in the bidding as it proposes to buy from Weyerhaeuser Bodcaw's oil, gas and other mineral interests.

Chrysler plans sales drive

BY JOHN WYLES IN NEW YORK

CHRYSLER Corporation is planning a new sales campaign aimed at reducing its crippling burden of unsold vehicles, amid indications that ts request for $1bn of government aid is running into difficulties in Washington.

Chrysler desperately needs to reduce its inventory of 80,000 unsold cars and trucks, worth $700m, in order to bring in funds to boost its working capital and help cover possibly large operating losses. The company is reportedly considering something not done in the industry since 1975: offering cash rebates to purchasers of its vehicles.

Chrysler dealers are currently being offered rebates, but this has been of very little help in attracting customers to their showrooms and thus reducing dealer inventories. A customer rebate would offer guaranteed price reduction, and this could also spark off a price-cutting battle with Chrysler's rivals at General Motors and Ford Motor, which would clearly do nothing to help those companies' revenues.

However, Chrysler urgently *needs its dealers to draw down* on factory stocks of vehicles built speculatively, that is without the firm dealer orders that GM and Ford require. A customer rebate would clearly shrink or even render non-existent the company's profit margins on the unsold vehicles, but it would produce revenues *on cars and trucks for which* production costs were incurred some time ago.

Meanwhile, Mr. John J. Riccardo had a meeting with White House and Treasury officials on Wednesday, at which he presented further information on the company's financial plight at the end of a six-month period in which it has lost a record $260m.

Neither the Treasury nor the White House is offering much in the way of comment, except *to say that the* Treasury's investigations are proceeding at maximum speed. In particular, no confirmation was offered of a report here that Treasury recommendations would be ready for the White House this weekend. The Government seems to be indicating that there is still much more it *needs to know before* it can arrive at a decision about Chrysler's request for $1bn over the next two years.

In particular, the Government wants to be satisfied that the $1bn would actually turn the company round and ensure its long-term survival. In addition, Chrsyler has not been able to present a possible role for its bankers, employees and stockholders which would indicate that they too are prepared to make strenuous efforts to ensure its survival.

The United Auto Workers Union for example has made very discouraging noises about the company's request for a two-year's standstill on wages and benefits costs. The proposal was expected to be voted down by a meeting of Chrysler delegates late yesterday, although *the possibility of the union* accepting a lesser deal than the one it is currently trying to negotiate with GM and Ford is not being ruled out.

Miller Brewing account shifts

BY DAVID LASCELLES IN NEW YORK

THE Miller Brewing Company, a division of the large Philip Morris consumer products group and maker of the fastest-growing beer brand in the U.S., has surprised the New York advertising community by switching its account to a new and as yet little-known advertising agency.

The $72m account was removed from Interpublic, a unit of McCann-Ericson, and given to Backer and Spielvogel, a new agency formed by former executives of Interpublic and McCann-Ericson. As is the case with many moves in the advertising business, the executives evidently took their account with them.

The change is important, since Miller has moved from number seven in the brewing league, when Philip Morris acquired it in 1970, to number two todya, largely as a result of aggressive marketing. Analysts also believe that Miller could nudge Anheuser-Busch from its number one spot in the next two to three years.

Optimism at McDonnell Douglas

St. Louis — The crash on May 25 of an American Airlines DC-10 and subsequent groundings of the Trijet will not have a long-term impact of any significance on McDonnell Douglas, according to Mr. Sanford N. McDonnell, president and chief executive of the group. The Douglas Aircraft subsidiary which makes the DC-9 and DC-10 will continue to play a significant role in overall corporate strategy, he stressed.

Mr. McDonnell also indicated that the recession will not cause a reversal of recent improvements in operating results, stating: "We are confident of our ability to go through this recession without having sales adversely affected."

Net income in the first half of the current year climbed to $98.3m or $2.50 a share from $74.6m or $1.92 a share, as *previously reported. Sales soared* to $3.64m from $1.96m.

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Gain by Asbestos Corporation

BY ROBERT GIBBENS IN MONTREAL

ASBESTOS CORPORATION, which is controlled by General Dynamics Corporation, the U.S. aircraft and building materials manufacturers, and whose Quebec assets at present face a takeover move by the Quebec Provincial Government, had first half earnings of C$8.3m (U.S.$7.09m) or C$2.93 a share against C$7.2m or C$2.55 a year ago. Sales were C$86m compared with C$62m. A dividend of 60 cents is proposed.

Moore Corporation of Toronto, the world's largest manufacturer of business forms, earned $26.9m or 96 cents a share in the second quarter against $19.2m or 96 cents a year earlier.

Sales rose from $320m to $378m. Earnings for the first half totalled $50.5m or $1.80 against $38.9m or $1.39 last time, on sales of $743m compared with $634m. Order books are strong for the rest of the year.

Canada Cement Lafarge, the nation's largest cement manufacturer, *reported earnings of* C$9.7m (U.S.$8.29m) or 50 cents a share for the second quarter compared with C$7.5m or 39 cents a year ago. Sales of C$166m compare with C$136m.

First half earnings reached C$4.7m or 22 cents a share against C$3m or 13 cents on sales of C$245m compared with C$204m. The company is traditionally in loss in the first *quarter because of seasonal factors.* It sees a strong performance for the full year.

INTERNATIONAL CAPITAL MARKETS

Formula set for Pemex facility

BY JOHN EVANS

THE U.S. bankers' acceptance facility of up to $1.5bn for the state oil agency Petroleos Mexicanos (Pemex), Mexico's largest international financing to date, is about to be syndicated among major banks.

Bank of America, as the agent bank, is organising the facility, which will be open to both domestic banks and foreign banks which have branches in the U.S.

An offering Telex was scheduled to be sent out to interested parties from New York late this week, asking for *minimum subscriptions of* $25m and maximum contributions of $100m. Up to 60 banks will thus potentially be able to participate in the facility.

Each participating bank will be awarded an acceptance commission of ½ per cent. As the rate of discount on bankers' acceptances varies from bank to bank, a special "blended" formula will be used for determining the ultimate cost to Pemex.

This formula will represent the average rate of five key "*reference*" banks in the syndication operation, plus an extra margin of 20 basis points. This technique should iron out any undue fluctuations in the varying rates of discount on the acceptances of the whole banking syndicate, bankers said.

The facility will run for a *maximum of six years, with* participating banks making an initial commitment of two years, renewable each two years.

The acceptances themselves, essentially short-term trade instruments which Pemex will use primarily for its oil and gas export and pre-export financing, will have maturities ranging between 90 and 180 days.

This will be the largest syndicated bankers' acceptance facility yet raised in the U.S. *money markets, and should be* completed by early September.

Canadian dollar Eurobond for Credit Foncier

By Francis Ghilès

A C$30m issue for Crédit Foncier Franco-Canadien was launched yesterday by Crédit Suisse First Boston. This is the first new Canadian dollar-denominated bond to be floated since Imnat came to the market for C$10m late last May.

Terms of the Crédit Foncier issue include a bullet maturity of five years, a coupon of 10¾ per cent and an indicated price of par.

The management group has undergone some changes compared with its composition when the other three Canadian dollar bonds for this borrower were launched a few years ago. It is the first time Crédit Suisse First Boston has led an issue for Crédit Foncier, while Paribas, which has led issues for this borrower, is not even a manager and has been replaced in the management group by another French bank, Crédit Lyonnais. A. E. Ames and S. G. Warburg, which have traditionally been managers of issues for this borrower, remain.

There has been very little investor interest in the Canadian dollar sector during the past two months, and few dealers see any signs of any major changes in the immediate future. If the selling concession of 1¼ per cent is taken into account, this new bond offers the investor a yield of 10.71 per cent to maturity.

The three outstanding bonds for this borrower offer yields ranging from 10.79 per cent on the 9¾ per cent bonds of 1981, to 11.25 per cent on the 8¾ per cent bonds of 1982.

Trading remained at a low level in the U.S. dollar sector of the bond market. What small gains were posted yesterday morning were wiped out later in the day when the U.S. wholesale price index for July became public.

Allotments for the $100m initial tranche of the Floating Rate Note for Citicorp, which is being arranged by Credit Suisse First Boston, are understood to have been very tight with demand strong. The 3½-year notes, which bear quarterly interest at the average of the bid and offered rate for three-month Eurodollar deposits, were quoted at 99.60-99.80 in early secondary market trading.

In the Swiss franc sector, Swiss Bank Corporation is arranging a SwFr 80m 12-year public issue for the Danish Mortgage Bank and Financial Administration Agency. This bond, which is guaranteed by the Kingdom of Denmark, *carries a coupon of 4¾ per cent* and has been priced at 99 to yield 4.86 per cent.

ITT wins concession over disclosures

By Our New York Staff

INTERNATIONAL Telephone and Telegraph has won an unusual concession from the Securities and Exchange Commission in the settlement of litigation which had accused the company of making millions of dollars of "illegal, improper, corrupt and questionable payments" abroad.

The settlement, approved by a Federal district judge, is on the now traditional basis of ITT neither admitting nor denying SEC charges. It has agreed to mount a further investigation of the alleged illegal payments to secure overseas contracts but, significantly, has managed to prevent the SEC from gaining access to the records of four of the company's foreign subsidiaries.

It is highly unusual for the SEC to accept that it may not have access to all corporate documents. ITT's consistent refusal to release the records of Standard Electrik Lorenz of West Germany, Bell Telephone Manufacturing Company of Belgium, ITT Standard of Switzerland, and Standard Electrica of Spain became a clause célèbre in its struggles with the SEC. Last November the government agency unsuccessfully requested a court to fine ITT $100,000 a day until it produced the documents. The company claimed however, that to do so would violate *the corporate secrecy laws of* their home countries.

The West German, Belgian and Swiss subsidiaries were linked by the SEC to payments ITT made in Chile which allegedly included $400,000 to opponents of Salvador Allende.

Second quarter earnings of ITT fell 16 per cent from $187.9m, or $1.33 a share, to $157.4m, or $1.11 a share. But the reverse reflected foreign exchange losses of 31 cents a share, against profits of 5 cents, due mainly to the weakness of the dollar in June.

Operating earnings were actually 11 per cent higher and the group is confident that full year results will set new records.

Norwegian shipping group squeezed in first six months

BY FAY GJESTER IN OSLO

LEIF HOEGH, a leading Norwegian shipping group, reports a slightly lower return on capital in first-half 1979 than in the same period a year earlier, although operating profits showed a small increase.

Freight earnings from the fleet operated by Hoegh (including vessels chartered from other owners) rose to NKr 1.19bn from NKr 995m in the first half of 1978, and operating profit, before depreciation and interest payments, was NKr 193m ($38.60m) against NKr 170m.

Operating profit for the whole of 1979 is expected to reach about NKr 400m, although Hoegh says that rising bunker prices and the fluctuation of the dollar make forecasting diff

The report says that bu prices have doubled over past year.

Return on capital—profit fore depreciation and inte in relation to the fleet's chase price—fell to 9.8 per in January-June, 1979, and 10 per cent in the first ha last year.

The fleet operated by Hoegh now comprises 65 totalling 3.2m dwt. Two of both gas tankers, are now up, one for charterers' acc Hoegh has eight new ship order. During the first ha 1979 it sold eight ships, them for handing over in second half of this year.

First-half sales at PUK show sharp increase

BY OUR FINANCIAL STAFF

SOLID gains in sales for the first six months of this year are reported by Pechiney Ugine Kuhlman, the major French producer of aluminium, steel and chemicals.

Sales for the half year are 17.3 per cent ahead at FFr 16.48bn ($3.87bn) compared to FFr 14.05bn during the opening six months of 1978. More than half of group turnover (52.2 per cent) arose outside France.

A breakdown of the pattern of sales during the six months shows that light industry managed the sharpest gains. Sales in the metals sector rose to FFr 7.2bn from FFr 6.18bn, while light industry moved to FFr 3.45bn from FFr 2.7 rise of around 25 per cent.

Chemicals managed its sales to Fr 2.87bn FFr 2.52bn, while those in engineering divisions incre from FFr 2.65n to FFr 2.

● First half net consolid turnover of Thomson-CSF to FFr 7.15bn ($1.68bn) fo first half of 1979 FFr 5.4bn. Parent com turnover was FFr 4.02bn pared to FFr 3.05bn. The figures include those Ste Telephones (Thomson Bri S.A.) which was absorbe June 1979. On a compar basis with 1978, consolid first half turnover show 19.7 per cent increase.

Daimler-Benz in Hollan

STUTTGART — Daimler-Benz AG will assume full ownership of two Utrecht companies which have been representing its interests in The Netherlands, Adam BV and Mehaco BV. The deal will be completed on January 1, 1980. It represents a continuation of a policy Daimler-Benz has followed for several years accoring to which it assumes ownership of local import and wholesale comp to assure its position and gr in the most important Euro markets.

Daimler-Benz delivered passenger cars and 10,000 mercial vehicles to The Ne lands in 1978, making Hol the most important Dai export market in Europe France.

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FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on Aug

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	50	96½	98½	0	+0¼	10.25
Alex Howden XW 9½ 91	30	†93	93½	−0½	−0½	12.15
Australian Res. 9¾ 84	50	98	98½	+0⅛	+0⅛	10.09
Avco O/S Cap. 10½ 87	40	96½	97½	0	0	10.80
Bayer Int. F. XW 7¼ 88	200	83½	83½	0	+0⅛	10.01
Beneficial Fin. 9¾ 87	100	98	98½	0	0	10.08
CECA 9¾ 84-99	50	94½	94½	−0½	0	10.02
CECA 10¼ 91	150	97½	98½	0	+0⅛	11.03
Canadian Pacific 9⅞ 89	50	97½	98½	0	+0⅛	10.05
Carter Hawley 9⅞ 86	50	97½	97½	0	+0⅛	10.29
Comalco Inv. E. 10½ 91	40	99½	100	0	0	10.28
Continental Grp. 9⅞ 86	100	97½	98½	+0⅛	+0⅛	10.03
Dome Petroleum 10 94	50	96½	96½	0	−0⅛	10.49
Dominion Bridge 10½ 84	30	99½	100½	0	+0⅛	10.20
Dow Chem. O/S 9½ 94	200	97½	97½	0	+0⅛	9.84
EIB 9½ 88	150	99½	100	+0⅛	+0⅛	9.91
EIB 9⅞ 99	100	100½	100½	+0⅛	+1	10.06
EIB 9⅞ 87	150	100½	101½	+0⅛	+0⅛	9.94
EIB 10 99	150	101½	101½	0	+0⅛	10.08
Export Dv. Cpn. 9.85 84	150	100½	101	+0⅛	+0⅛	9.57
Export Dv. Cpn. 9½ 84	100	97½	97½	0	0	9.96
Finland 9½ 86	100	97½	98½	0	+0⅛	9.95
Finland 9½ 89	100	98½	99	+0⅛	+0⅛	10.06
GTE Finance 9½ 84	50	97½	98½	0	+0⅛	10.00
GTE Finance 9½ 89	55	95½	96½	0	+0⅛	10.38
General Motors 9½ 86	100	97½	97½	0	−0⅛	9.73
Gould Int. Fin. 9½ 85	50	98	98½	0	+0⅛	10.15
Hoechst Fin. XW 6½ 89	125	78½	78½	0	0	10.12
Hudson Bay Co. 10 94	50	99½	99½	+0⅛	+0⅛	10.10
ITT Antilles 9½ 89	75	96	96½	+0⅛	+0⅛	10.11
Kennecott Int. 9½ 86	100	95	95½	0	+0⅛	10.50
Manitoba 9½ 89	75	96½	97½	0	+0⅛	10.00
Nat. Dev. Telecm. 9½ 86	100	98	98½	0	+0⅛	9.85
New Brunswick 9½ 94	75	96½	96½	−0⅛	+0⅛	10.21
Newfoundland 10 94	50	98½	99½	0	+0⅛	10.12
Norsk Hydro 9½ 94	50	94½	95½	0	+0⅛	9.92
Norway 9½ 84	150	100½	100½	0	+0⅛	9.80
Norway 9½ 84	150	98½	98½	0	+0⅛	9.85
Nova Scotia Pwr. 9½ 89	50	97½	97½	+0⅛	0	10.13
Occidental Fin. 10½ 84	50	99½	100½	0	0	10.25
Orient Leasing 9½ 86	25	95½	96	−0⅛	0	10.32
Pennwalt O/S F. 9½ 84	25	98½	98½	0	+0⅛	10.11
Pepsico Cap. 9½ 84	100	98	98½	0	+0⅛	9.71
Portland 10 84	50	97½	98½	+0⅛	+0⅛	10.58
Quebec Hydro 10 99	75	95½	96½	+0⅛	+0⅛	10.48
Redland Fin. XW 9½ 91	25	†90	90½	−0⅛	−1⅛	11.01
[illegible]						

* No information available—previous day's price.

† Only one market maker supplied a price.

NORWEGIAN STOCK MARKET

Displaying a clean pair of heels

BY WILLIAM DULLFORCE, RECENTLY IN OSLO

THE MOST bullish of the world's stock markets this year is also one of the smallest. The general index of the Oslo Bourse has climbed 30 per cent since January 1 and some 45 per cent from the low point of March, 1978. Turnover was close to NKr 340m ($68m) in the first half of this year and, if the trend continues, it should emerge for 1979 roughly treble last year's level of NKr 223m.

The upsurge in share prices has been even stronger in terms of the indices calculated by Capital International, the Swiss-based investment services group. While CI's world index was showing a gain of 4½ per cent over the first seven months of this year, the Oslo stock market rose by 84½ per cent.

The Norwegian bourse is thus showing a very clean pair of heels to the rest of the world. Canada was the second best performer up to the end of July with a gain of 21½ per cent followed closely by the UK which had risen by 20½ per cent.

While share dealers are not unhappy about this development, more diffidence than jubilation is evident in the rather dingy Oslo Stock Exchange building overshadowed by the railway station. They are not yet sure that the improvement in trading really implies a revival of faith among badly battered Norwegian stockholders.

On July 17 the general index reached 98; but despite the rise in share prices this year, the index is still a far cry from the 178 touched on January 25, 1974. Speculation in the shares of the oil companies hastily formed after the discovery of North Sea oil produced a turnover of NKr 1.74bn for 1973.

Since that year the Oslo bourse has taken a lot of punishment. The signal for its present recovery could be said to be a hint last summer that the Labour Government was having second thoughts about the value of the Stock Exchange as a source of investment capital.

The wind was knocked out of the market in 1974 after the Government had made it clear that only one private company, Saga, would be allowed to share in the North Sea oil development (the state has a majority holding in Norsk Hydro).

That blow was followed by the shipping crisis, which cut the flow of shipowner earnings to the bourse, and by the implementation of the Labour Party's plans to "democratise" the banks. Then, rising domestic costs priced Norwegian exports out of their markets and the industrial shares, which form the backbone of the bourse, declined.

Worried by the low level of industrial investments, the Finance Ministry announced last summer that it was thinking of ways to stimulate the stock market. This reversal of policy coincided with the negotiations for the purchase by Norway of a 40 per cent holding in Volvo, the Swedish car and truck group.

The stock market was suspicious both of the Ministry's intentions and of the Volvo deal, which would have entailed flooding the bourse with Volvo shares. The Volvo deal aborted and the Finance Ministrys' intentions were baulked by the trade unions, which made abandonment of its plans to stimulate the stock market a condition for their acceptance of a wages and prices freeze.

> The signal for the upsurge in share prices could be said to be the hint that the Norwegian Government was having second thoughts about the value of the stock market as a source of investment capital

The ministry indicates it will, nevertheless, go ahead with relief measures for share investment, when the freeze is lifted in January. Its budget statement in the autumn is keenly awaited. But there have been more solid reasons for the current rise in share prices.

A small bourse such as Oslo reacts strongly to the fortunes of one or two leading companies. Elkem-Spigerverket, the ferro-alloy and aluminium group, currently accounts for almost 30 per cent of the industrial share index. Norsk Hydro's influence would be even heavier, were not the bulk of its shares now trade in Paris and Zurich. Hydro is the only Norwegian company whose shares are free for dealing by foreigners.

These two companies have led the Oslo bourse revival. After reporting zero earnings for a couple of years Elkem turned in NKr 33m pre-tax in 1978 and has taken off this year with earnings of NKr 42m at the four-month stage and a reported NKr 92m at half way. The market expects a final pre-tax result well above NKr 200m. Elkem is making a new NKr 88m rights issue.

Hydro has revised its profit forecast strongly upwards. It is expected to show improved earnings of NKr 14-15 a share for 1978-79 followed by a further substantial increase in 1979-80.

Shareholders have to take a long-term dividend view since Hydro is writing off its oil investments over six years. But the Board is expected to fulfil this year its promise to complete the write-up of the face value of the shares to NKr 100 from the current NKr 80. By paying an unchanged percentage in dividend it would still boost shareholders' income.

Norwegian private holdings in Hydro are now no more than 17 or 18 per cent, more being held in Paris and Zurich. Dealings by Swiss banks, in particular, have boosted the Hydro price this year and there has been some speculation without any hard evidence that Arab money could be involved.

The Hydro price rose from around NKr 170 last autumn to NKr 540 at the end of July. It has been trading in the NKr 470-495 range since.

Investment fund sales fall in Germany

By Our Financial Staff

WEST GERMAN investment funds experienced a sharp decline in demand during the second quarter of this year. Sales fell to DM 600m ($327m) compared to DM 1.8bn in the first quarter of 1979.

Investment funds have been badly hit by the setback in the German bond market after the upturn in interest rates that set in during the spring of 1978. First quarter sales totalled almost DM 4bn in 1978 but the three subsequent quarters could only muster a combined DM 4.6bn.

Bahrain Fishing Company loss

BY MARY FRINGS IN BAHRAIN

THE BAHRAIN Fishing Company—in which Rose Seafoods is manager, marketing agent and a 35 per cent shareholder—has warned that it may suspend operations in the Gulf at the end of the month, unless catches of shrimps improve.

The results on the 1978-79 fishing season, which ended in February, were BD 1.1m (US$2.9m) down on the season before, for a net loss of BD 645,688 ($1.7m). The dividend is passed, whereas in 1977-78 there was a 25 per cent payment, from profits of BD 494,121.

Shrimp catches were the lowest in the company's 14-year history—probably due to exceptional environmental conditions resulting from low rainfall and a cool summer, according to the directors' report. Fisheries experts, however, have blamed growing pollution of Gulf coastal waters, and the effect of extensive dredging for land reclamation on shrimp breeding stocks.

Shrimp catches for the new season, which began in June, have not covered operating expenses, the 1,000 or so Bahraini shareholders have been told. Mr. Denis Revell, the manager, adds that catches had been lower even than last year, when they were half the average.

A substantial loss has been sustained since the end of the last financial year, and the net asset value of the company has further declined. Last year the general reserve fund was drawn down from BD 913,219 to BD 267,331.

The Bahrain Fishing Company operates in Bahrain and Saudi Arabian waters, but poor inshore fishing has also been reported from Qatar.

Heavy tax charge hits Malayawata

By Wong Sulong in Kuala Lumpur

MALAYAWATA, Malaysia's biggest steel company, increased its trading profit by 75 per cent to 13.1m ringgit (US$6.1m) in the year to March. But because the company had to meet a heavy tax charge, net profit fell by 36 per cent to 5.7m ringgit.

Previously, Malayawata had been paying nominal income tax because of its tax status and the huge capital allowances granted to the company. It is paying a dividend of 10 per cent tax free, the same as previously.

Construction groups make progress

By Our Kuala Lumpur Correspondent

TWO MALAYSIAN construction companies have reported sharp improvement in interim profits, reflecting the buoyancy of the residential housing market.

Net profits at Bandar Raya Developments for the six months to June rose to 2.3m ringgit (US$1.1m), from 903,000 ringgit in the same period last year.

Most of the profits came from the sale of houses it is building in Kuala Lumpur.

The interim pre-tax profits of Selangor Properties rose by 20 per cent to 3.5m ringgit (US$1.6m), with a substantial part of the profits coming from earnings on the development of the 54-acre Damansara town centre in Kuala Lumpur.

Each company said that it expected the property boom to continue, and that it was optimistic of better results for their second-half.

Increase at Keck Seng

By Our Kuala Lumpur Correspondent

KECK SENG BERHAD, the plantation company, has reported a sharp increase in profits, as a result of higher output and favourable prices.

Pre-tax profits for the first-half of this year rose to 4.5m ringgits (US$2.1m), from 1.4m ringgits for the same period last year.

The second-half is expected by the directors to be as good as the first-half, and an interim dividend of 10 per cent (7.5 per cent previously), is recommended.

More share parcels bought as Ansett battle continues

BY JAMES FORTH IN SYDNEY

A NUMBER of large special share parcels were bought yesterday in Ansett Transport Industries by groups battling over control of the airline, hotel and television group, though sharemarket activity quietened. Close to 45 per cent of Ansett's capital is now held by four groups, indicating that the situation should be resolved soon.

A total of 3.13m shares were traded in Melbourne and 333,000 in Sydney. The Melbourne transactions included a special parcel of 2.17m shares, or 2.8 per cent of the capital, which went to interests supporting the Ansett Board and its founder, Sir Reginald Ansett. The parcel was booked at A$1.70 and cost A$3.67m (US$41m), lifting the stake of the "friends" to about 85 per cent.

Another special parcel of 661,000 shares went to Ampol Petroleum, which also bought on the market floor during the day. Ampol has been buying off-market as well and is thought to hold close to 10 per cent of Ansett. The Western Australian contestant, Bell Group, controled by Mr. Robert Holmes A'Court, announced at the start of trading that the company had obtained a further 1.9m shares through on and off market trading, lifting its holdings to 9.6m shares, or 12.5 per cent.

Bell Group, which has indicated a desire to obtain a 20 per cent holding, increased its stake slightly with further market purchases during the day. The fourth major shareholder, Thomas Nationwide Transport has to date stayed out of the market bidding, although it reportedly wants to increase its interest from about 15 per cent to 20 per cent.

When trading started the protagonists stayed out of the market, with the result that the price dropped from the overnight level of A$1.66 to A$1.50. The bulk of the market sales were booked around this level, but the price was bid up near the close to A$1.60. It is widely believed that Ampol and TNT are interested in co-operating to exercise control of Ansett, a tactic they adopted for several years with coal group R. W. Miller following an inconclusive three-way takeover battle for Miller with Howard Smith.

Earnings growth for Reunert and Lenz

BY JIM JONES IN JOHANNESBURG

REUNERT AND LENZ, the South African electrical and mechanical engineering group, raised its profit after tax in the year to June 30. This was despite lower revenue from contracting operations in South Africa and a lower contribution from its Zambian subsidiary.

While group turnover fell to R86.0m ($101m), from R91.5m in 1978, taxed earnings advanced to R3.5m ($4.1m), from R3.3m.

The advance was achieved on the back of a better performance by the South African electrical and mechanical equipment merchandising operations. Trading margins of this division have apparently improved considerably on the previous year's levels and a further improvement in operating results is projected by Mr. Mike Reunert, the chairman.

On the basis of higher profit projections for the current year, dividends totalling 31 cents have been declared, compared with 28.5 cents for 1978, on earnings a share of 96 cents, against 93 cents.

Hortors sells holding in stationery concern

BY OUR JOHANNESBURG CORRESPONDENT

HORTORS (PTY.) has sold its 33 per cent stake in Hortors Walton (HWL), South Africa's largest commercial stationery company, to a number of institutions and individuals for about R2m ($2.3m). HWL is to change its name to Waltons Stationery Ltd.

Last year the old Cape-based Waltons Stationery Company linked up with Hortors to form HWL. But revelations that HWL's holding company had close links with the former South African Department of Information badly affected HWL shares on the Johannesburg stock exchange. HWL itself had no link with the Department of Information as it held no publishing interests.

Advances by Kadoorie companies

By Philip Bowring in Hong Kong

RUBBER TRUST and Amalgamated Rubber, two of the three Kadoorie Group rubber plantation companies currently the subject of an offer from Highlands and Lowlands of Malaysia, have reported profit and dividend increases for the first half to March 31.

Rubber Trust's net profit for the six months was HK$4.76m (U.S.$925,000), up from HK$4.36m, and interim dividend was raised to 14 cents from 13 cents.

Amalgamated's profit rose more sharply—to HK$5.46m (U.S.$1.1m) from HK$4.13m and its interim dividend was lifted by 2 cents to 10 cents.

Hongkong Realty ahead

By Our Hong Kong Correspondent

HONGKONG Realty and Trust Company, a property development subsidiary of the Wheelock Marden Group, increased its after-tax profits by 45 per cent to HK$51.6m (U.S.$10m) in the year ended March 31.

In addition, net extraordinary profits amounted to HK$526,000, against over HK$20m in the previous year.

Gloomy inflation news clips 4.9 off Dow

INVESTMENT DOLLAR PREMIUM

$2.60 to £1—27¾% (27½%)
Effective $2.2355 9¼% (8¾%)

WITH SENTIMENT dampened by a larger-than-expected rise in wholesale prices in July, Wall Street relinquished some ground yesterday following its recent sharp and broad-based advance.

The Dow Jones Industrial Average, which had climbed 17 points over the past three days, reacted 4.86 to 858.28. The NYSE All Common Index slipped back 22 cents to $60.14, while declines outnumbered gains by 798 to 628. There was a fairly sizeable turnover of 34.68m shares, although this was far short of ednesday's heavy total of 45.24m.

The Commerce Department reported that wholesale prices rose 1.1 per cent in July after a 0.5 per cent June increase. Wall Street had expected an increase of between 0.5 and 0.9 per cent. The Commerce Department called the news "surprisingly bad."

Analysts noted, however, that the market was due for a pull-back in any event after the strong gains earlier in the week.

Investors were also concerned about the weekly banking figures, due after the market close. Analysts said investors expect newly-appointed Federal Reserve chairman Paul A. Volcker to put more emphasis on monetary aggregates in setting policy than did his predecessor G. William Miller, now Treasury Secreatry. After the close, the Federal Reserve reported that the basic money stock (M-1) rose $1.2bn in the latest reporting week.

Volume leader **IBM** slipped ½ to $68¾, **General Motors** ¼ to $59½, **U.S. Steel** ⅛ to $22⅜, **Exxon** ⅝ to $53¼, **Standard Oil California** 1⅛ to $50⅛ and **Mobil** ⅞ to $38⅞, but **Superior Oil** rose $5 to $430.

Recently-strong Banks were hit by profit-taking. Among the actives, **Bankamerica** lost ⅜ to $30 and **Citicorp** ⅜ to $24¼. **Wells Fargo** shed ⅝ to $31⅜ and **Chase Manhattan Bank** ⅜ to $41¼.

NLT rebounded 1⅞ to $30⅜. It lost a point on Wednesday after saying it had not received a merger offer from **Ashland Oil**, down 1⅛ at $38¼.

Singer halved the dividend to 10 cents a share and fell $2 to $12¼. A 300,000 share block was moved at $13¼.

XTRA advanced 1⅛ to $24⅞. The company reported improved third-quarter profits and has been rumoured to be a take-over target. Heavily-traded **MGIC Investment** jumped $3 to $36.

THE AMERICAN SE Market Value Index managed to close 0.34 higher at 200.54 in contrast to the *NYSE* trend. Volume 4.24m shares (4.52m).

Canada

Stocks continued to show a firming tendency in busy trading, with the Toronto Composite Index ending 1.3 harder at 1,566.5. Golds advanced 28.3 to 1,787.6 and Oils and Gas 7.4 to 2,663.4, but Metals and Minerals declined 8.7 to 1,311.2. In Montreal, Banks improved 1.50 to 321.71 and Papers 0.67 to 177.63.

Among companies reporting higher earnings, **Canadian Marconi** put on ⅜ to C$15 and **Maclean-Hunter "A"** ½ to C$22½, while **Dominion Stores**, C$19, and **Asbestos**, C$44, added ⅛ apiece.

Tokyo

Early fresh buying was later more than offset by profit-taking, leaving share prices on the First Market section easier for choice on balance.

The Nikkei-Dow Jones Average briefly touched a new all-time high of 6,416.69, prior to reacting to 6,392.16, off 10.51 on the day. The Tokyo SE index lost 0.85 at 446.74, while business volume was a moderate 270m shares (300m).

Petroleums, including **Nippon Oil** and **Teikoku Oil**, lost heavily on profit-taking after early gains, while Shippings, including **Japan Line**, and trading concerns, such as **Mitsui** and **C. Itoh**, also finished lower. **Mitsui** lost Y9 to Y326 and **C. Itoh** Y10 to Y371.

However, Paper-Pulps scored fresh gains and Confectionery concerns were selectively firmer.

Bright spots around the market included **Fuji Photo Film**, up Y12 at Y645, **Casio**, Y16 higher at Y720, **Jaccs**, Y13 stronger at Y513, and **Takeda Chemical**, which climbed Y14 to Y465. In contrast, **Honda Motors** receded Y12 to Y548.

Germany

Leading shares tended to pick up in somewhat more active conditions, with brokers citing relief that the Bundesbank Central Bank Council did not announce any changes to domestic credit policy. The upswing was led by Banks, which had fallen in recent sessions due to what is wbecoming routine nervousness before the regularly scheduled meetings of the Central Bank Council. Investors had apparently feared new measures to tighten credit, but the Council adjourned without making any decisions.

Brokers reported that foreign investors were returning to the market. The foreigners were perhaps taking advantage of the recent dip in prices to seek bargains, observers said.

The two large Bavarian credit institutions rebounded smartly, **Bayerische Vereinsbank** rising DM 5.40 and **Bayerische Hypo Bank** DM 4.10 Elsewhere in Banks, **Commerzbank** and **Deutsche Bank** each added DM 1.50, while **Dresdner Bank** put on DM 2.

In Chemicals **BASF** gained DM 1.20 and **Hoechst** DM 1.10, while **Ruetgerswerke** forged ahead DM 5.

In Machine Makers, **KHD** were up DM 2.50 and **Mannesmann** gained DM 3.50, while Motors had **BMW** DM 2 firmer. Stores also received a boost, with **Horten** rising DM 3 and **Karstadt** DM 2. In Utilities, **VEBA** put on DM 2.30.

There was a marked recovery on the Domestic Bond market, Public Authority Loans gaining up to 75 pfennigs, enabling the **Bundesbank** to sell a nominal DM 29.5m of paper, after purchases of DM 15.2m on Wednesday.

Paris

Stock prices were inclined to make fresh progress in a fair business, the Bourse Industrials index improving 0.7 to a high for the year of 90.0.

Operators reported more buying in connection with the "Monory" law, as wel as receiving some encouragement from a cut in the Call Money rate to 10¼ per cent from 10½.

Oils, Electricals and Foods were among the best performers. Esso gained 12 per cent and Elf-Aquitaine 5 per cent. The two concerns are equal partners *in the Burosse well*, South West France, where "important oil indices" were discovered.

Poclain rose FFr 7.90 to FFr 24.90 after announcing higher first-half 1979 net turnover. **Thomson-CSF** advanced FFr11 to FFr 427 and Au. Printemps firmed FFr 2 to FFr 112 after both reporting increased first-half net consolidated turnover.

Hong Kong

Early Overseas *buying* together with local speculative interest sent shares generally further ahead, but subsequent switching and profit-taking left some issues easier on the day.

However, demand for Properties remained strong and sufficient stocks were still ahead elsewhere to leave a fresh rise of 5.56 at 620.10 by the Hang Seng index for a two-day advance of 16.37.

Hongkong Land closed 20 cents higher at HK$9.85 and **Cheung Kong** 10 cents firmer at HK$14.10 ex-dividend.

Hongkong Bank added 20 cents at HK$13.80, **Swire Pacific "A"** 10 cents at HK$8.45 and **Associated Hotels** 15 cents at *HK$3.40*, but *Jardine Matheson* were finaly a net 10 cents down at HK$12.00.

Australia

With dealers reporting a substantial increase in London buying Australian stocks generally moved further ahead yesterday, with good gains occurring in the Minings sector and some leaders on the Industrials board. The Sydney All Ordinaries index rose 6.09 more to a 1979 peak of 605.11.

Market leader **BHP** advanced 22 cents to A$9.56 and **CSR** 20 cents to A$3.70, while **CSR "rights"** shares, traded for the last time yesterday, rose 21 cents to A$2.72.

Ansett, the subject of heavy buying from several quarters of late, retreated sharply to A$1.45 before recovering to A$1.80, down 6 cents *on the day*. The Bell Group announced that it had lifted its Ansett shareholding to 12.5 per cent and the market is waiting to see if the company proceeds with its stated intention of acquiring 20 per cent. Bell gained 70 cents to A$5.50.

Improved London commodities prices and the upward movement in Gold Bullion was held mainly responsible for the increased interest in Mining stocks, **MIM** climbed 9 cents to A$3.52 and **Bougainville Copper** 6 cents to A$2.10.

Indices

NEW YORK —DOW JONES

	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 3	Aug. 2	1979 High	1979 Low	Since Compil'n High	Since Compil'n Low
◆ Industr'ls	858.28	863.14	859.81	848.55	846.16	847.95	878.72 (10/4)	807.00 (27/2)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	85.87	85.88	85.90	85.96	85.98	85.98	85.98 (2/8)	82.92 (8/5)	—	—
Transport	262.22	262.86	259.50	255.45	254.97	256.55	262.66 (8/8)	205.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	108.28	108.65	108.59	108.58	108.02	108.15	108.89 (31/7)	98.61 (15/5)	163.32 (20/4/69)	[illegible] (28/4/42)
Trading Vol. 000's	34,680	45,240	45,570	27,280	28,180	37,770	—	—	—	—

◆ Day's high 864.51 low 855.12

	Aug. 3	July 27	July 20	Year ago (approx)
Ind. div. yield %	5.73	5.75	5.83	5.85

STANDARD AND POORS

	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 3	Aug. 2	1979 High	1979 Low	Since C'mpil'tn High	Since C'mpil'tn Low
‡Indust'ls	116.71	117.25	116.88	115.55	114.86	115.02	117.25 (8/8)	107.08 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	105.49	105.98	105.65	104.30	104.04	104.10	105.98 (8/8)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Aug. 8	Aug. 1	July 25	Year ago (approx)
Ind. div. yield %	5.15	5.22	5.34	4.70
Ind. P/E Ratio	8.21	8.07	7.99	9.97
Lond Gov. Bond Yield	8.85	8.91	8.91	8.32

N.Y.S.E. ALL COMMON

Aug. 9	Aug. 8	Aug. 7	Aug. 6	1979 High	1979 Low
60.14	60.36	60.18	59.46	60.36 (8/8)	53.88 (27/2)

Rises and Falls

	Aug. 9	Aug. 8	Aug. 7
Issues Traded	1,878	1,872	1,893
Rises	628	922	1,138
Falls	798	533	411
Unchanged	452	417	344
New Highs	72	136	125
New Lows	5	5	2

MONTREAL

	Aug. 9	Aug. 8	Aug. 7	Aug. 6	1979 High	1979 Low
Industrial	263.18	262.81	261.25	261.47	275.79 (28/6)	219.13 (2/1)
Combined	264.05	263.53	262.25	262.28	275.15 (28/6)	225.60 (2/1)
TORONTO Composite	1566.5	1565.2	1555.9	(c)	1618.6 (28/6)	1315.3 (2/1)

JOHANNESBURG Gold / Industrial; Australia, Belgium, Denmark, France, Germany, Holland, Hong Kong, Italy, Japan, Singapore [illegible]

THURSDAY'S ACTIVE STOCKS [illegible]

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
Φ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Trade. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. A Interim since increased.

NEW YORK

Stock	Aug. 9	Aug. 8
Abbotts Lab.	35⅞	35⅝
AM International	17	17⅛
Adobe Oil & Gas	33½	35
Aetna Life & Ca.	33⅞	33⅝
Air Products	34⅛	34
Alcan Aluminium	[illegible]	34⅞
Alcoa	60¾	61⅛
Control Data	45½	45⅛
Cooper Indus.	58⅝	59
Corning Glass	60⅜	61
CPC Int'rnation'l	54¾	55
Crane Co.	34⅞	34⅝
Crocker Natl	34⅛	35
Crown Zellerb'h.	36⅝	36¾
Cummins Engine	35⅛	36¼
Curtiss Wright	16⅞	16⅛
Johns Manville	26⅝	26⅝
Johnson Johnson	74⅜	73¾
Johnson Control	28¾	29
Jostens	19⅝	20
Joy Manufacturg	32¾	35¼
K. Mart	27⅞	27¾
Kaiser Aluminium	18⅞	18¾
Kaiser Industries	2⅛	2⅛
Kaiser Steel	40	39⅝
Revlon	50⅞	50⅝
Reynolds Metals	34	34¼
Reynolds (R.J.)	63⅛	62⅞
Rich'son Merrell	24⅝	24¾
Rockwell Inter.	39½	39⅝
Rohm & Haas	45¼	45⅝
Rolm	32⅛	32⅛
Royal Dutch	75½	75¾
RTE	10⅛	10⅝
Williams Co.	20⅝	20⅞
Wisconsin Elect.	25¾	[illegible]
Woolworth	25⅞	26
Wyly	5⅞	5¾
Xerox	[illegible]	66⅞
Zapata	19¼	19⅛
Zenith Radio	13⅝	13⅝
U.S. Treas. 4% 80	†97⅛	†97⅛
USTreas4¼%75/85	†83	†83
U.S. 90 day bills	9.39%	9.39%
Western Union	20⅝	20⅝
W'stinghse Elec.	21½	21½
Weyerhaeuser	31½	31⅝
Whirlpool	22	22
White Con Ind	26	26½
Walker Hiram	39½	39½
West Coast Trans	14½	14⅝
Weston Geo.	25¼	24⅝

† Bid. ‡ Asked. § Traded. ¶ New stock.

The remaining New York, Canada, Germany, Tokyo, Amsterdam, Brussels/Luxembourg, Switzerland, Copenhagen, Milan, Vienna, Paris, Australia, Stockholm, Oslo, Johannesburg, Spain and Brazil price tables and the European Options Exchange table: [illegible]

BASE LENDING RATES

Bank	Rate	Bank	Rate
A.B.N. Bank	14 %	■ Hambros Bank	14 %
Allied Irish Bank Ltd.	14 %	■ Hill Samuel	§14 %
Amro Bank	14 %	C. Hoare & Co.	†14 %
American Express Bk.	14 %	Julian S. Hodge	15 %
Henry Ansbacher	14 %	Hongkong & Shanghai	14 %
A P Bank Ltd.	14 %	Industrial Bk. of Scot.	14½%
Associates Cap. Corp.	14 %	Keyser Ullmann	14 %
Banco de Bilbao	14 %	Knowsley & Co. Ltd.	15½%
Bank of Credit & Cmce.	14 %	Lloyds Bank	14 %
Bank of Cyprus	14 %	London Mercantile	14 %
Bank of N.S.W.	14 %	Edward Manson & Co.	15 %
Banque Belge Ltd.	14 %	Midland Bank	14 %
Banque du Rhone et de la Tamise S.A.	14½%	■ Samuel Montagu	14 %
Barclays Bank	14 %	■ Morgan Grenfell	14 %
Bremar Holdings Ltd.	15 %	National Westminster	14 %
Brit. Bank of Mid East	14 %	Norwich General Trust	14 %
■ Brown Shipley	14 %	P. S. Refson & Co.	14 %
Canada Perm't Trust	14 %	Rossminster	14 %
Cayzer Ltd.	14 %	Ryl. Bk. Canada (Ldn.)	14 %
Cedar Holdings	14 %	Schlesinger Limited	14 %
■ Charterhouse Japhet	14 %	E. S. Schwab	15 %
Choulartons	14 %	Security Trust Co. Ltd.	15 %
C. E. Coates	14 %	Shenley Trust	16 %
Consolidated Credits	14 %	Standard Chartered	14 %
Co-operative Bank	*14 %	Trade Dev. Bank	14 %
Corinthian Secs.	14 %	Trustee Savings Bank	14 %
Credit Lyonnais	14 %	Twentieth Century Bk.	15 %
The Cyprus Popular Bk.	14 %	United Bank of Kuwait	14 %
Duncan Lawrie	14 %	Whiteaway Laidlaw	14½%
Eagil Trust	14 %	Williams & Glyn's	14 %
English Transcont.	14 %	Yorkshire Bank	14 %
First Nat. Fin. Corp.	15½%		
First Nat Secs. Ltd.	15½%		
■ Antony Gibbs	14 %		
Greyhound Guaranty	14 %		
Grindlays Bank	‡14 %		
■ Guinness Mahon	14 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 11½%, 1-month deposits 11¾%.
† 7-day deposits on sums of £10,000 and under 11½%, up to £25,000 12% and over £25,000 12¼%.
‡ Call deposits over £1,000 11½%.
§ Demand deposits 11½%.

Financial Rand U.S.$0.86½
(Discount of 27½%)

UK resists futures disclosure

By John Edwards, Commodities Editor

THE UK Government will oppose London commodity traders being forced to reveal details of their trading outside the U.S. to the U.S. Commodities Futures Trading Commission, the British Embassy in Washington said yesterday.

The Embassy, in a formal note to the State Department, said the proposal by the Commodities Futures Commission could discourage foreign participation in U.S. futures markets and leave them more open to manipulation.

The note follows representations by London commodity traders against pressure from the CFTC for all foreign traders dealing on the U.S. futures markets to supply information about their commodity transactions, reported Reuter.

U.S. traders have to report all their trading transactions on domestic commodity futures markets to the CFTC, which wants similar reporting from foreign traders.

Earlier this week, however, Wiscope—the Swiss subsidiary of the Guinness and Peat group—won an appeal against a ban on its trading in U.S. futures markets because of refusing to reveal details of its transactions requested by the CFTC.

Downturn in metal markets

By Our Commodities Editor

THE FIRMER trend in sterling, and profit-taking sales, brought a general downturn to the London Metal Exchange yesterday. Cash tin fell by £152.5 to £6,545 a tonne; copper cash wirebars lost £15.5 to £869 a tonne and cash lead £19 to £565 a tonne.

In copper, the cash wirebars fall brought it below the three months quotation, which declined by £10.75 to £872.25 a tonne, but nearby supplies available to the market remain tight.

MCAs return

BRUSSELS—The EEC Commission has decided to reintroduce negative monetary compensatory amounts on British farm trade for a week from next Monday, after which a decision on any further accomodations will be made.

The amount to be applied from Monday will be 1.9 per cent in the form of a subsidy on imports and a levy on exports.

Reuter

New sterling rise hits London cocoa futures

BY RICHARD MOONEY

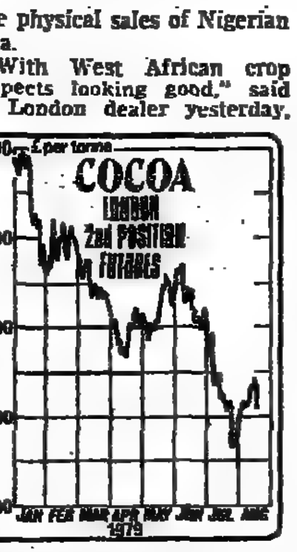
THE RENEWED rise in the value of sterling yesterday encouraged a further sharp fall in prices on the London cocoa futures market.

The December quotation had fallen the £40 permissible daily limit by mid-afternoon. And the decline continued after the mandatory 15-minute break in trading with December cocoa ending the day £55.5 down at £1,417.5 a tonne. Traders noted that the price had fallen £90 since Tuesday morning.

In the absence of any significant fundamental news in recent months currency factors have been the major influence on the cocoa market. Having been pushed lower by the steady rise in sterling, prices rallied during the past two weeks as the pound fell. Now the renewed strength of the pound has again put cocoa futures values under pressure.

This latest decline has also been influenced, however, by heavy Brazilian selling and some physical sales of Nigerian cocoa.

"With West African crop prospects looking good," said one London dealer yesterday,



"and another hefty surplus in prospect, there is little to stop prices falling."

There had been some physical interest on the Continent this week, he said, "but in no real quantity."

Another factor which may have encouraged yesterday's decline was the announcement of cocoa purchases in Ghana for the third week of the mid-crop season. The Marketing Board said the purchases amounted to 1,225 tonnes, taking the cumulative total to 7,107 tonnes. A year ago the total stood at 7,343 tonnes, but that was after 10 weeks.

In Yaounde meanwhile, the Cocoa Marketing Board said Cameroon main crop purchases totalled 103,373 tonnes on August 6 compared with 105,887 tonnes at the same stage of the previous season.

In Paris, the French Chocolate Makers' Association said French cocoa bean grindings in the second quarter of this year were provisionally estimated at 12,000 tonnes, about 10 per cent higher than in the same quarter last year. First-quarter 1979 grindings totalled 11,530 tonnes.

Egg prices to go up next week

BY CHRISTOPHER PARKES

PRICES of size 1 and 2 eggs will go up 2p a dozen next week. This is the first price increase posted by Goldenlay, the marketing consortium, since January 26.

Mr. Frank Powell, marketing director, pointed out yesterday that other sizes were still 9p or 10p a dozen cheaper than they were 17 weeks ago, and farmers were still selling at a loss of about 9p a dozen.

The increases had been made possible by a reduction in output of larger sizes rather than any improvement in demand, Mr. Powell added. Older hens which produced bigger eggs were being sent to the slaughterers.

The market had also been helped by a sharp reduction in the number of eggs being imported from France and Holland. At about 10,000 boxes a week, imports are now about half the level of a few weeks ago.

Trade across the English Channel had been discouraged by the rapid fall in the value of monetary compensatory amount subsidies paid on foodstuffs sold to Britain.

Mr. Powell warned, however, that there was still a chance that the imports might rise again in September, once the French national holidays were over. A large proportion of the population traditionally takes the whole of August off.

Latest figures from the Ministry of Agriculture suggest that egg production in the UK should begin to contract shortly. Prices could then increase further.

In June, farmers bought only 3.7m layer chicks—6 per cent fewer than in June, 1978. And preliminary statistics on the number of eggs set to hatch during July suggest that further reductions can be expected.

In the first half of the year chick sales to egg farms fell 11 per cent compared with the first six months of 1978.

Between January and the end of May, placings in the European Community were down 5 per cent. The Dutch, however, have continued to expand their laying flock while the French are holding steady.

'Fish come before jobs'

BY OUR COMMODITIES STAFF

FISHERIES conservation has to come before jobs, Mr. Alick Buchanan-Smith, Minister responsible for the fishing industry, told angry trawlermen and fish process workers in Grimsby yesterday.

Government strategy and EEC fishing policy had to hinge on conservation.

"Jobs have been, and are being lost. But if we don't conserve what we have there just won't be any fishing industry left," he said.

The fishermen had warned the Minister that if new proposals for reductions in fishing in the Barents Sea and off the South West coast of England were accepted, hundreds of jobs would be lost and scores more trawlers would be laid up.

The proposals, from the International Committee for the Exploration of the Seas, are almost certain to be approved and UK fishermen are angry because they effect the only two profitable fisheries still open to them.

Soviet crop prospects brighten

WASHINGTON — The Soviet Union appears to be headed towards a good spring wheat crop with above average yields in some eastern parts of the country, according to a U.S. Agriculture Department survey team.

The 1979 spring wheat crop, the team said, could be as good as last year's crop of 51.8m tonnes or even the 1976 harvest of 52.3m tonnes.

The team, headed by Mr. Larry Panasuk of the USDA foreign extension service, has just returned from the Soviet Union. Mr. Panasuk, who made a similar tour in 1978, said the spring wheat crop in some areas was in better condition than a year ago.

"However, maintaining present crop prospects, particularly in the more northern regions, will depend greatly on favourable late season weather," the three-member team said.

Mr. Panasuk declined to speculate on whether the prospects for a good Russian spring wheat harvest will increase the Government's estimates of overall Soviet Grain production for this year. The USDA will announce its latest estimate of Russian grain crop today.

In July, the USDA said a hot, dry spring meant overall Russian grain production would probably be between 165m and 195m tonnes, the worst crop since 1975.

AP-Dow Jones

South African citrus sales record likely

By Bernard Simon in Johannesburg

SOUTH AFRICAN citrus exporters are confident of record earnings during the current season, which ends in October. Receipts should reach R200m (£105m), easily breaking last year's record of R181m, according to the Citrus Exchange in Pretoria.

To date, 55 per cent of the orange crop, which totals some 28.1m cartons, has been shipped. Foreign sales of grapefruit are expected to reach 4.5m cartons and of lemons, 1.2m cartons.

The cumulative average price for oranges realised so far this season is R9.66 per carton, compared with R6.89 in 1978.

Britain remains South Africa's biggest citrus customer, taking about 23 per cent of total exports.

UK AGRICULTURE

Dull sales disappoint sheep farmers

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE CLOSURE of the French sheep market last week to British lamb exports has made little difference to the trade for English lamb. In fact, the steep decline in prices which had been going on for some weeks, was actually halted and possibly marginally reversed.

The reason for this lack of reaction is simply that the very high duty and cost of getting either live lambs or meat into France has made most traders look for other markets or other means of getting lamb into France.

Lamb exports to France from the UK were only 3,100 tonnes in the first five months of 1979, as against 6,700 tonnes in the same period of 1978 and 8,600 tonnes in 1977. It is probable that a substantial number of British lamb carcases change their nationality when exported to Belgium, Germany and Ireland, and are re-exported duty-free to France.

But overall it appears that exports have been on a declining trend, partly due to the strength of sterling over the last few months.

Another ingredient in the situation has been the strength of the lamb market in the UK. Due to the bad winter the numbers being presented for slaughter have been substantially down on last year, by as much as 30,000-40,000 a week until recently. The average price has been substantially higher than last year but at the end of July the difference had narrowed to about 5p a kilo.

It is probable that if it hadn't been for the overall shortage of lambs on the market, this year's prices, like those for pigs, would have given farmers very little joy.

Few farmers sell all their lambs fat in the summer. There is a very large trade in "store" sheep for future fattening. The first sales of these have actually returned prices at and even below some of those realised at the same time last year. This depression has extended to breeding sheep, where the trade has been, to say the least, dull.

The causes of this are complex. Until a week or so ago there had been quite a serious drought in Southern and Western England. Grass was shortening and farmers saw little prospect of fattening lambs, even if they went out to buy them.

The memory of last winter is still fresh, and the astronomical costs of keeping the sheep going have left a painful bulge on many farmers' overdrafts. Some have also begun to do their sums, and find that using borrowed money to buy either lambs or breeding stock can be quite expensive. If, for instance, a ewe costs £60—a moderate price for some last year—the interest charge alone is £9.60 for the year, or about £6 per lamb produced.

Dealers, who for years have been given Carte Blanche to buy both ewes and lambs, now find that their customers have become very cautious and are setting strict limits on price. In some cases farmers are talking of giving up sheep altogether if they can milk cows or grow wheat and barley on their land instead.

This hesitation may only be a reaction to the bad winter or the present monetary situation, but I believe it may be a symptom of something rather deeper.

The market was only firm for the best quality English lamb. New Zealand lamb, which has been available in adequate quantity, has hardly varied in price at all. When English lamb was selling at £1 a pound in late May, New Zealand was half that price and from there it has dropped a few pence. It seems likely that if English lamb had been available in normal quantities, the trade for both it and New Zealand supplies would have been very poor indeed.

Although full consumption figures for the first half of 1979 are not yet available it does look as if a substantially lower number of both prime cattle and sheep have been slaughtered. Beef has been dearer than last year, but if the lamb demand had been there, there has been plenty of New Zealand lamb to supply it.

It is possible that in present circumstances the consumer is finding lamb expensive. While the New Zealand farmer has the benefits of the strength of sterling and devaluation of the New Zealand dollar to bolster his returns, the British farmer is looking to the export market to try and put things right.

On the face of it, the French are almost certain to be told by the European Court to stop the unilateral opening and shutting of the barriers to British exports as well as to lift the duties which can run as high as 90p a kilo.

Should that happy day come, British farmers will, they think, be able to send masses of lambs to France and so gain the current price which is roughly £1 a pound the year round.

But it is only at that level because lamb in France is a luxury and kept that way by the policy of successive French Governments to maintain a sheep farming population in the hill and mountain areas. This is without doubt a most artificial way of farming—the sheep are kept indoors much of the time. But without it the hills would be even less populated than they are today.

It is sensible to think that no French Government is going to allow a section of its population to be extinguished without putting up every obstacle to a freeing of the lamb market that it can think of. British sheep farmers are sensible not to risk their all in investing in sheep until they see the way ahead more clearly.

Sharp U.S. cotton crop rise forecast

By Our Commodities Staff

THREE LEADING New York commodity houses have forecast a sharp rise in the U.S. cotton crop in the 1979-80 season. Bache Halsey Stuart Shields expects production to rise to 13.2-13.3m bales from 10.9m in 1978-79. It bases this figure on a planted acreage of 13.665m acres.

Meanwhile, Merrill Lynch, though using a smaller plantings estimate of 12.925m acres, puts the crop even higher at 13.426m bales.

And Balfour, Maclaine, also puts the output total at about 13.4m bales but notes that estimates by cotton merchants, shippers and mills questioned in its recent survey mainly ranged between 13.3m and 13.7m bales.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Lower on the London Metal Exchange mainly reflecting profit-taking. Forward metal opened around £880 and eased back to £875 on short selling. The strength of silver prompted a recovery to £883.5 but renewed selling on the morning Kerb coupled with firmer sterling moved the price down to £872. However, in the afternoon a strong opening on Comex triggered stop-loss buying and the price rose to close the late Kerb at £880. Turnover: 22,150 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	883-.5	+2.75	869-70	—15.5
3 months	885-.6	—9.5	872-.5	—10.75
Settlem't	883.5	+2.5	—	......
Cathodes				
Cash	849-50	+5	840-2	—15
3 months	864.5-5	+4	856-8	—10.5
Settlem't	850	+5	—	......
U.S. Smt.	—	......	*84-87	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £883, 85. Three months £878, 79, 80, 81, 82, 83. Cathodes, cash £849, three months £854, 64.5. Kerb: Wirebars, three months £883, 82, 81, 80, 81. Afternoon: Wirebars, three months £878, 78, 75, 74, 73, 74, 73, 72, 73, 74, 72, 72.5, 72. Kerb: Wirebars three months £872, 72.5, 73, 74, 75, 76, 77, 78, 80, 81.

TIN—Lost ground following a fall in the Penang market which prompted hedge selling, and nervous bull liquidation. Forward metal opened around £6,690 and fell to £6,570 before rallying to close the late Kerb at £6,600. Turnover, 730 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6615-20	—47.5	6540-50	—152
3 months	6655-65	—50	6605-15	—125
Settlem't	6620	—50	—	......
Standard				
Cash	6615-20	—47.5	6540-50	—152
3 months	6645-50	—58	6590-600	—127
Settlem't	6620	—58	—	......
Straits E.	‡1985	—5	—	......
New York	—	......		

Morning: Standard, cash £6,600, 10, three months £6,650, 40, 50, 35, 30, 35, 40, 50. Kerb: Standard three months £6,640. Afternoon: Standard, cash £6,580, 40, three months £6,600, 6,590, 80, 70, 90, 90, 6,600. Kerb: Standard, three months £6,600, 6,580.

LEAD—Lost ground owing to currency considerations and the weakness of copper which brought out profit taking and trade selling. Forward metal weakened from £561 to £544 but rallied in the afternoon to close the late Kerb at £554.5. Turnover: 6,400 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	571-2	—12	564-.5	—19
3 months	561.5-2	—14½	546-.5	—19
S'ment	571	—13	—	......
U.S. Spot	—	......	*58-62	......

Morning: Cash £572, three months £558, 57, 54, 55, 57, 58, 57.5, 58, 54, 53, 52, 53, 52. Kerb: Three months £552, 51, 50, 48, 45. Afternoon: Three months £544, 45, 45. Kerb: Three months £545, 48, 51, 54.

ZINC—Marked down in line with other metals. Forward material opened at £321 but fell away to £310 prior to closing the late Kerb at £314.5. Turnover: 2,850 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	306.5-7.5	—2.5	301-.5	—5.5
3 months	317-8	—5.5	312-.5	—9
S'ment	307.5	—2.5	—	......
Prim w'st	—	......	*39.5	......

Morning: Cash £307, 6.5, 7, three months £318. Kerb: Three months £316. Afternoon: Three months £314, 13, 13, 11, 13, 12.5. Kerb: Three months £314.

ALUMINIUM—Down. The initial weakness of copper and the firmness of sterling depressed forward metal from £692 to £687 in the morning but the price rallied strongly in the afternoon on U.S. stop-loss buying to close the late Kerb at £700. Turnover: 4,125 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	703-5	—1.5	700-1	—5
3 months	691-2	—.25	689-90	—6.25

Morning: Three months £691. Kerb: Three months £691. Afternoon: Cash £700, three months £690, 89. Kerb: Three months £696, 700, 699, 700, 697, 98, 99, 700.

NICKEL—Easier in dull and routine trading with forward metal finally £2,625 on the late Kerb. Turnover: 216 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2550-60	—40	2550-60	—42.5
3 months	2630-50	—35	2630-5	—46.5

Morning: Cash £2,560, three months £2,640. Afternoon: Three months £2,630. Kerb: Three months £2,630.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 8.9p an ounce higher for spot delivery in the London bullion market yesterday at 405.4p. U.S. cent equivalents of the fixing levels were: Spot 900.6c, up 21.1c; three-month 919.8c, up 24.0c; six-month 938.6c, up 24.5c; and 12-month 972.0c, up 24.6c. The metal opened at 401-402p (894-896c) and closed at 402¾-403¾p (900-902c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	405.40p	+5.9	401.6p	+8.65
3 months	416.90p	+9.7	413.5p	+8.15
6 months	428.10p	+5.6	—	......
12months	447.50p	+5.6	—	......

LME—Turnover 113 (355) lots of 10,000 ozs. Morning: Three months 418.5, 17.5, 16, 17, 7.2, 7.3, 7.1, 17, 7.1. Kerb: Three months 416.5. Afternoon: Three months 415, 5.2, 5.3, 14, 13.8, 3.5, 3.8, 3.5. Kerbs: Three months 414.5, 4.7, 15, 5.2.

COCOA

Cocoa futures continued to weaken, due to the Ghana mid-crop purchase figure and renewed Commission House selling, as New York futures traded at contract lows. Values closed with losses of £55, reported Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
Sept	1370-1371	—36.5	1396-1361
Dec	1417-1418	—55.5	1461-1415
March	1465-1467	—55.5	1505-1465
May	1491-1494	—56.0	1537-1491
July	1511-1524	—50.5	1565
Sep	1550-1555	—58.5	—
Dec	1580-1595	—60.0	1580-1586

Sales: 2,674 (1,552) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound). Daily price, Aug. 8: 141.44 (143.66); Indicator price for Aug. 9: 15-day average 143.07 (143.40); 22-day average 144.47 (144.75).

COFFEE

London Robustas once again recorded a very thin volume in quiet trading conditions during a morning session which saw values about £10 lower from yesterday, reported Drexel Burnham Lambert. The afternoon saw a steadier market although trading was very spasmodic. The market finally finished unchanged to £7 higher as buying from one particular quarter took prices above the previous close in slightly more adventurous trading.

COFFEE	Yesterdays Close	+ or —	Business Done
	£ per tonne		
September	1718-1720	—6.5	1720-1702
November	1736-1740	+5.5	1740-1712
January	1750-1752	......	1735-1706
March	1687-1690	+5.5	1690-1678
May	1670-1675	+2.0	1650-1666
July	1650-1675	......	—
Sept	1630-1675	—2.5	—

Sales: 3,234 (4,195) lots of 5 tonnes.

ICS indicator prices for August 8 (cents per pound): Other Mild Arabicas 192.00 (192.33). Robustas ICA 1976 177.25 (177.50); ICA 1968 177.50 (177.75); Columbian Mild Arabicas 210.0 (208.50). Unwashed Arabicas 192.00 (same). Comp. daily ICA 1968 180.17 (190.06).

GRAINS

WHEAT Mnth	Yesterd'ys close	+ or —	BARLEY Yesterdys close	+ or —
Sept.	92.15	—0.05	87.15	......
Nov.	96.05	—0.05	91.30	+0.05
Jan.	100.35	—0.15	95.65	+0.05
Mar.	103.75	—0.15	99.15	+0.05
May	107.15	—0.15	102.45	......

Business done—Wheat: Sept. 92.50-92.00, Nov. 96.45-56.00, Jan. 100.80-100.30, March 104.20-103.65, May 107.15-107.10. Sales: 147. Barley: Sept. 87.45-87.00, Nov. 91.60-91.10, Jan. 96.00-95.65, March 99.35-99.30, May 102.60-102.30. Sales 239.

HGCA — Locational ex-farm spot prices. Feed barley S. East 81.80, S. West 82.50, W. Midlands 82.40, N. West 87.80. Other milling wheat: S. East 90.00.

The UK Monetary Coefficient for the week beginning August 13 will increase to 1.019.

IMPORTED—Wheat: CWRS No. 1 13½ per cent unquoted. U.S. Dark Northern Spring No. 2 14 per cent Aug. 94, Sept. 95, Oct. 96.50 transhipment East Coast. U.S. Hard Winter 13½ per cent 1st half Aug.-1st half Sept. 95.60, transhipment East Coast. EEC unquoted. Maize: U.S./French Aug. 108.50p, Sept. 110 transhipment East Coast. S. African White unquoted. S. African Yellow Sept.-Oct. 82.50 nominal. Barley: English Feed fob Aug. 89.50, Oct., Dec. 93 East Coast. Sorghum: U.S./Argentine unquoted. Oats: Scandinavian feed unquoted.

RUBBER

The London physical market opened slightly steadier with quite good interest throughout the day, closing quietly steady. Lewis and Peat reported a Malaysian godown price of 288 (286) cents a kilo (buyer, September).

No. 1 R.S.S.	Yesterd'ys Close	Previous Close	Business Done
Sept.	59.75-61.50	59.55-59.50	—
Oct.	61.00-61.60	60.70-61.85	—
Oct-Dec	61.70-62.00	61.55-61.60	62.00-61.80
Jan-Mar	65.25-65.30	64.40-64.50	65.45-64.80
Apr-Jne	67.55-67.65	66.70-66.75	67.55-66.80
Jly-Sept	69.80-70.00	69.05-69.10	69.80-69.00
Oct-Dec	72.10-72.50	71.35-71.50	72.50
Jan-Mar	74.45-74.90	73.80-74.00	—
Apr-Jne	76.80-77.50	76.10-76.35	77.30

Sales: 415 (346) at 15 tonnes.

Physical closing prices (buyer) were: Spot 59.0p (same); Sept. 64.50p (64.0p); Oct. 65.10p (64.25p).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 56 tonnes, bringing the total for the week so far to 731 tonnes. Lack of enterprise continued to affect the offtake and little was heard of additional demand. Minor purchases centred on North and South American varieties.

SOYABEAN MEAL

The London market opened around unchanged and stayed in a narrow trading range, reported T. G. Roddick. The market remained steady in quiet conditions.

	Yest'rd'y Close	+ or —	Business Done
	£ per tonne		
August	107.00-11.0	—6.45	109.00
October	115.50-15.5	—0.15	115.70
December	118.10-18.3	—0.40	118.50-18.40
February	120.10-21.5	—0.25	121.00
April	121.00-24.5	—0.25	122.50
June	122.00-23.5	—0.50	125.50
August	122.0-27.0	......	—

Sales: 44 (57) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £101.0 (£100.0) a tonne cif for Aug.-Sept. shipments. White sugar daily price was £108.0 (£106.0).

The market opened lower but quickly found support, especially on an arbitrage basis against the white sugar market. Small gains were registered but these were erased later following rumours of selling tenders today in the Dominican Republic and Peru, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
Oct.	108.25-08.35	108.55-08.75	109.50-07.50
Dec.	112.40-12.50	112.60-12.75	113.25-11.75
March	119.50-19.60	119.55-19.50	120.00-18.50
May	122.50-22.40	122.25-22.50	122.75-22.25
Aug.	126.50-27.50	126.75-27.00	127.00-26.50
Oct.	150.50-31.50	130.75-31.25	131.25

Sales: 2,477 lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £297.55 (same) a tonne for home trade and £170.0 (£169.0) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for August 8: Daily price 8.64 (8.50); 15-day average 8.40 (same).

WHITE SUGAR—Close (in order buyer, seller, business, sales): Sept. 108.00, 108.50, 109.00-107.75, 248; Nov. 111.75, 112.55, 112.90-112.25, 405; Feb. 120.25, 120.50, 120.50-120.00, 101; April 124.50, 125.00, 125.10-124.45, 115; July 128.00, 129.50, nil, nil; Sept. 131.50, 134.00, nil, nil; Nov. 134.00, 139.00, nil, nil. Sales 889.

WOOL FUTURES

LONDON GREASY—Close (in order buyer, seller only). Oct. 218.0, 33.0; Dec. 218.0, 38.0; March/May/July/Oct. Dec. 228.0, 38.0.

NEW ZEALAND CROSSBREDS—Close (in order buyer, seller only). Oct. 181.0, 83.0; Dec. 181.0, 83.0; March 180.0, 89.0; May/July/Oct./Dec. 180.0, 91.0.

SYDNEY GREASY—Close (in order: buyer, seller, business, sales) Micron Contract: Oct. 407.0, 410.0, 410.5-409.5, 32; Dec. 415.5, 417.0, 416.0-416.0, 52; March 424.5, 426.0, 426.5-425.0, 40; May 426.5, 427.0, 428.0-425.5, 46; July 429.0, 430.0, 430.0-429.0, 17; Oct. 430.0, 431.0, 431.0-431.0, 14; Dec. 430.0, 431.0, 453.0-452.0, 11. Sales: 212.

BRADFORD—Sellers have been holding prices firm, resulting in some reports of increased business followed by a weakening of interest, dealers said. Prices have generally been quoted a little higher in response to the fall in sterling.

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HIDES—Manchester: continued lack of interest. Ox 31/35.5 kilos, 89.0p a kilo withdrawn (90.0p a kilo withdrawn); 26/30.5 kilos 92.0p a kilo withdrawn (93.5p a kilo withdrawn); 22/25.5 kilos 93.0p a kilo withdrawn (95.0p a kilo withdrawn). Cows 92.6p a kilo withdrawn (86.0p a kilo withdrawn).

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GRIMSBY FISH—Supply: good. Demand: good. Prices at ship's side (unprocessed) per stone: Shelf cod £4.50-£5.00, codlings £2.60-£3.60; Large haddock £4.30; Medium £3.20-£4.50. Small £2.00-£3.00; Large plaice £5.60-£5.70, Medium £4.80-£5.60, Best small £3.40-£4.40; Skinned dogfish (large) 9.00, (medium) £7.00; Lemon soles (large) £8.50, (medium) £6.00; Rockfish £2.60-£2.90; Saithe £3.40-£3.70.

PRICE CHANGES

In tonnes unless otherwise stated.

	Aug. 9 1979	+ or —	Month ago
Metals			
Aluminium	£710/50	......	£710/50
Free Mkt (cs)	$1525/1545	......	$1,485/15
Copper			
Cash W'bar	£869.5	—15.5	£805.5
3 mths	£872.25	—10.75	£935.75
Cash Cathode	£841	—15	£783.5
3 mths	£857	—16.5	£805.75
Gold troy oz.	$286.875	+5	$288.625
Lead cash	£565	—19	£597.5
3 mths	£547	—19	£570.25
Nickel	£2854	......	£2,225.4
Freemkt(cif)lb	250/270c	......	250/60c
Platin'm tr'y oz	£155.5	......	£168
Free mkt	£172.35	—0.65	£164.20
Quicksil'ver	$295/315	......	$300/350
Silver troy oz	405.40p	+8.9	408.15p
3 months	416.90p	+9.7	420.25p
Tin Cash	£6,545	—152.5	£7,025
3 mths	£6,595	—147.5	£6,817.5
Tungsten	$145.12	......	$140.17
Wolfrm 22.04 cif	$136/143	+1	$139/144
Zinc cash	£302	—5.5	£329.5
3 months	£312.5	—9	£342.25
Producers	$780	......	$845
Oils			
Coconut (Phil)	$1,040x	+15	$1,155
Groundnut	‡	......	‡
Linseed Crude	£365	......	£405
Palm Malayan	$650z	......	$690
Seeds			
Copra Philip	$695y	+5	$740
Soyabean (U.S.)	$308.35z	+2.85	$335.75
Grains			
Barley Futures	£91.50	+0.05	£91.70
Maize			
French No3 AM	£108.50	—0.5	£107.5
Wheat			
No. 1 Red Spg	£94.0	—1	£98.60
No2HardWint	£95.60s	—0.10	£100.75
Eng. Milling t	‡		‡
Other commodities			
Cocoa ship't	£1,470.5	—35.5	£1,542.5
Future Dec	£1,417.5	—55.5	£1,442.5
Coffee Ft'r Nov	£1,738.5	+5.5	£1,930.5
Cotton A.Index	79.90c	+0.25	76.85c
Rubber (kilo)	59.0p	+0.50	59.50p
Sugar (Raw)	£101.0	+2	£100.0
Wooltp's 64s kl	266p	+3	268p

* Nominal. † New crop. ‡ Unquoted. s Aug.-Sept. t Sept. w Sept.-Oct. x Oct. y Oct.-Nov. z Indicator. § Buyer.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on August 9. GB cattle 81.40p per kg lw (+1.25). UK sheep 142.5p per kg est dcw (—0.8). GB pigs 62.0p per kg lw (+3.0). England and Wales: Cattle numbers up 30.2 per cent average price 80.96p (+1.33). Sheep numbers up 3.9 per cent average price 142.7p (—0.7). Pig numbers down 2.0 per cent average price 62.0p (+3.0). SCOTLAND: Cattle numbers down 40.8 per cent average price 83.59p (+1.20). Sheep numbers up 33.2 per cent average price 133.0p (—6.9).

SMITHFIELD—Pence per pound. Beef: Scotish killed sides 60.0 to 66.0; Eire hindquarters 76.0 to 80.0, forequarters 40.0 to 43.0. Veal: Dutch hinds and ends 92.0 to 98.0. Lamb: English small 58.0 to 62.0, medium 56.0 to 60.0, heavy 50.0 to 58.0; Scotch medium 52.0 to 60.0, heavy 50.0 to 58.0. Imported frozen: NZ PL 48.5 to 49.5, PM 48.0 to 48.5. Pork: English, under 100 lb 35.0 to 43.0, 100-120 lb 34.0 to 42.0, 120-160 lb 34.0 to 41.0.

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Oranges—South African: Valencias 4.60-5.30, Navels/Proteas 4.00-5.80; Brazilian: 3.00-3.20; Californian: 5.00-6.00. Lemons—Italian: 100/120's 5.60-6.00; Spania: Trays 30/40/45 2.10-2.50; Argentina: 88/100/113 7.50; South African: 8.00. Grapefruit—South African: 27/72 3.80-5.90. Apples—South African: Granny Smith 5.80, Starking 4.00, Yorks 4.00-5.50, Golden Delicious 6.80-7.50; New Zealand: Red Dougherty 6.20-6.50, Granny Smith 8.00, Sturmers 5.00; Tasmanian: Sturmer Pippin 4.50-4.80, Crofton 5.40-6.00, Granny Smith 4.50-5.00, Democrats 6.00; Victorian: Granny Smith 7.00-7.50; Spanish: Golden Delicious, boxes 40 lb 150/175 5.50-6.00; Italian: Rome Beauty 0.09½. Pears—Spanish: Limonera per pound 0.12, Williams 0.15; French: Guyots 28 lb 2.60, Williams 3.00-3.20; Italian: Williams per pound 0.15-0.19. Plums—Spanish, Santa Rosa 2.60-3.30, Italian: Per pound Burbanks 0.25, Stanley's 0.20, Giant Prunes 0.16, French: Gages 0.18. Grapes—Cyprus, Sultana 0.22½, Thompson 0.30, Alphonse 0.45, Rozaki 0.40; Italian Cardinal 10 lb 3.60, Vignetti 2.40. Nectarines—Italian: C/B/A's 3.00-4.40. Bananas—Jamaican: Per 28 lb 3.20-3.40. Avocados—South African: 3.00-3.60. Melons—Spanish: Yellow Honeydew 10 kg 5-14's 2.50-2.80. Water-melons—Spanish, Greek: Per box 2.20-2.40. Onions—Spanish: 4.00-5.50; Maltese: 4.00. Tomatoes—Jersey: Per tray 1.00-1.40, Dutch, 1.50-1.55, Guernsey, 1.20-1.40. Cabbages—Dutch: White, net 5.50. Potatoes—Cyprus: 3.00. Capsicums—Dutch: 2.00. Peaches—Italian 1½ trays C's 2.00-2.20, B's 2.40-2.50, A's 2.00, AA 2.80.

English Produce: Potatoes—New crop per bag 1.50-2.40. Lettuce—Per 12 round 0.90-1.40, Cos 1.50. Mushrooms—Per pound 0.50-0.60. Apples—Per pound Bramley 0.05-0.10, Grenadiers 0.05-0.06. Tomatoes—Per pound 1.20-1.30. Cucumbers—Trays 8/18's 1.00-1.20. Cauliflowers—12's Lincoln 1.60-2.40.

AMERICAN MARKETS

NEW YORK, August 8.

GOLD AND silver continued their rally on a sharp increase in the producer's price index, which also hurt the dollar. The grains and soyabeans were mixed after trading in a very narrow range. A sharp rally in the livestock complex was brought about by short-covering. Producer support in coffee resulted in good gains for the day. Trade buying in cocoa was not sufficient to prevent heavy losses due to Commission House liquidation. The sugar market experienced light selling and closed basically unchanged. Cotton has been trading in a very narrow range in anticipation of the first crop estimate to be issued Friday. Speculative buying was the reason behind the gains in copper, Heinold reported.

Coffee—Sept. 200.50 (187.29), Dec. 187.03 (187.40), March 182.68, May 182.00, July 181.00, Sept. 180.36, Dec. 177.50.

Copper—Aug. 87.70 (87.10), Sept. 87.90 (87.30), Oct. 88.15, Dec. 88.60, Jan. 88.75, March 89.10, May 89.20, July 89.30, Sept. 89.40, Dec. 89.50, Jan. 89.55, March 89.60, May 89.65, July nil.

Cotton—Oct. 63.55-63.70 (62.87), Dec. 63.90-63.95 (64.07), March 65.01-65.70, May 66.10-66.24, July 67.20-67.40, Oct. 67.45-67.70, Dec. 67.75-67.90, Jan. nil. Sales 6,498.

*Gold—Aug. 289.80 (287.90), Sept. 301.70 (295.90), Oct. 303.90, Dec. 309.10, Feb. 314.20, April 319.20, June 324.10, Aug. 328.90, Oct. 333.80, Dec. 338.10, Feb. 342.70, April 347.20, June 351.70.

Orange Juice—Sept. 102.90 (103.70), Nov. 102.50 (102.50), Jan. 102.60, March 103.20, May 103.80, July 104.35, Sept. 104.85, Nov. 104.85, Jan. 104.85. Sales 400.

Sugar—Sept. 8.93 (8.88), Oct. 9.18 (9.22), Jan. 9.68, March 10.26, May 10.54, July 10.84, Sept. 11.16, Oct. 11.23. Sales: 5,850.

Cocoa—Sept. 127.75 (131.75), Dec. 133.70 (137.70), March 137.70, May 140.40, July 143.15, Sept. 145.90, Dec. 330.5.

*Platinum—Aug. 372.20 (383.00), Sept. nil (382.00), Oct. 379.90, Jan. 381.40, April 384.80, July 389.60, Oct. 393.80, Jan. 398.20.

Potatoes (round whites)—Nov. 66.8 (65.7), March 90.5 (87.8), April 107.5, May 128.6. Sales: 674.

§Silver—Aug. 907.2 (894.0), Sept. 912.5 (899.0), Oct. 920.0, Dec. 934.4, Jan. 941.0, March 954.0, May 967.0, July 980.0, Sept. 993.0, Dec. 1012.0, Jan. 1018.5, March 1031.3, May 1044.1. Handy and Harman bullion spot 901.30 (886.80).

Tin—678.00-690.00 asked (683.00-695.00).

CHICAGO, August 8.

Lard—Chicago loose 24.50 (24.75). New York prime steam unavailable.

Live Cattle—Aug. 60.45-60.40 (58.97-60.42), Oct. 59.47 (57.97-59.47), Dec. 61.85, Jan. 63.45, Feb. 64.82, April 66.62, June 68.45-68.55, Aug. 67.80, Oct. 66.85, Dec. 67.90. Sales: 14,449.

Live Hogs—Aug. 35.90-35.30 (34.75-36.05), Oct. 33.60-33.35 (32.17-33.42), Dec. 34.35-34.15, Feb. 36.00-35.80, April 35.00, June 39.10, July 39.30-39.45, Aug. 37.75, Oct. 37.07. Sales: 6,394.

‡‡Maize—Sept. 281¼-280¾ (281½), Dec. 278-277¾ (277), March 287-287¼, May 291½-291¼, July 293½, Sept. 290.

Pork Bellies—Aug. 28.90-28.85 (27.77-28.87), Feb. 40.40-40.25 (38.52-40.32), March 40.75, May 41.90, July 42.60-42.40, Aug. 41.40. Sales: 6,972.

Silver—Aug. 903.0 (893.0), Sept. 906.5 (896.3), Oct. 915.0-918.0, Dec. 930.5-931.5, Feb. 945.5, April 957.5, June 970.0, Aug. 983.0, Oct. 996.0, Dec. 1009.0, Feb. 1022.0, April 1035.5, June 1049.0, Aug. 1062.5, Oct. 1076.5, Dec. 1090.5, Feb. 1104.5, April 1118.5, June 1132.5, Aug. 1147.5.

‡Soyabeans—Aug. 706-707 (705¾), Sept. 707-706 (706¾), Nov. 703-704, Jan. 717-716, March 730, May 738, July 744, Aug. 742.

||Soyabean Meal—Aug. 190.00-189.80 (188.90), Sept. 191.00 (190.00), Oct. 191.50, Dec. 193.30-193.50, Jan. 195.00, March 197.50-197.30, May 198.30-198.50, July 199.00, Aug. 199.30-199.80, Sept. 200.00-201.00.

Soyabean Oil — Aug. 27.60-27.65 (27.57), Sept. 26.80-26.75 (26.68), Oct. 26.30-26.20, Dec. 25.80-25.85, Jan. 25.82, March 25.90, May 25.93, July 25.95, Aug. 25.85-25.90, Sept. 25.89.

‡Wheat—Sept. 417-418 (416½), Dec. 427-426 (428), March 433½-434, May 430-431, July 404, Sept. 409.

WINNIPEG, August 9. §Wheat—SCWRS 13.5 per cent protein content St. Lawrence 227.75 (227.25).

§Barley—Oct. 100.40-100.50 (98.50), Dec. 98.50 (97.00), March 97.70, May 98.20.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. § Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, August 9

Wheat—U.S. No. 2 Dark Hard Winter, 13.5 per cent, Aug. $194. U.S. Hard Winter ordinary unquoted. U.S. No. 2 Red Winter Sept. $183, Oct. $190, Nov. $152. U.S. No. 2 Northern Spring, 14 per cent, Aug. $191, Sept. $192, Oct. $194, Nov. $196, Dec. $202.

Maize—U.S. No. 3 Corn Yellow afloat $134, Aug. $136.50, Sept. $139, Oct.-Dec. $141, Jan.-March $147, April-June $150.

Soyabeans—U.S. 2 Yellow Gulfports, Aug. $301.50, Sept. $291, Oct. $289.50, Nov. $290, Dec. $295.50, Jan. $298.90, Feb. $302.75, March $304.50, April $306.50, May $306.75, June $308.50, July $308.75. Brazil Yellow FAQ afloat $290. Argentine Aug. $292.

Soyameal—44 per cent protein U.S., afloat $223, Aug. $231, Sept. $235, Oct. $239, Nov.-March $247, April-Sept. $204.25. Brazil Pellets Aug. $235, Sept. $242, Oct. $248, Nov. $254, April-Sept. $255.

PARIS, August 9.

Cocoa (FFr per 100 kilos)—Sept. 1305-10, Dec. 1330-35, March 1383-90, May 1398-1920, July 1445, Sept. 1450. Sales at call. 0.

Sugar (FFr per 100 kilos)—Oct. 1045-50, Nov. 1320-35, Dec. 1078-85, March 1142-43, May 1165-70, July 1180-90, Aug. 1190-1205, Oct. 1205-15. Sales at call. 0.

INDICES

FINANCIAL TIMES

Aug. 9	Aug. 8	M'nth ago	Year ago
282.77	284.84	289.90	258.01

(Base: July 1, 1952=100)

MOODY'S

Aug. 9	Aug. 8	M'nth ago	Year ago
1060.6	1062.5	1082.7	916.5

(December 31, 1931=100)

DOW JONES

Dow Jones	Aug. 9	Aug. 8	Month ago	Year ago
Spot	399.40	395.97	408.61	359.00
F'tur's	401.00	403.00	421.25	350.80

(Average 1924-25-26=100)

REUTERS

Aug. 9	Aug. 8	M'nth ago	Year ago
1560.0	1560.7	1582.6	1437.0

(Base: September 18, 1931=100)

LEGAL NOTICES

IN THE MATTER of MORANDELL (UK) LIMITED and in the Matter of The Companies Act 1948.

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 6th day of September, 1979, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any) to the undersigned Leonard Cyril Curtis, FCA of 3/4 Bentinck Street, London W1A 3BA, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 2nd day of August, 1979.
LEONARD CYRIL CURTIS,
Liquidator.

The Companies Acts 1948 to 1976
MUSAN LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of Leonard Curtis and Co., 3/4 Bentinck Street, London W1A 3BA, on Friday, the 17th day of August 1979, at 12 o'clock midday, for the purposes mentioned in sections 294 and 295 of the said Act.

Dated this 2nd day of August, 1979.
BY ORDER OF THE BOARD,
C. A. S. BAYLEY
Director.

IN THE MATTER OF THE COMPANIES ACT 1948 and IN THE MATTER OF THE MASTER CLOCKMAKERS COMPANY LIMITED

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act 1948, that a meeting of the creditors of the above-named Company will be held at 14/16, Cockspur Street, London, SW1, on Wednesday, August 29, 1979, at 3 o'clock in the afternoon for the purposes mentioned in Section 294 and 295 of the said Act.

Dated this 23rd day of July, 1979.
By Order of the Board
J. D. LAMB,
Secretary.

Gilts run out of steam and close below day's best

Equities meet end-Account selling but Golds up again

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
July 30	Aug. 9	Aug. 10	Aug. 20
Aug. 13	Aug. 23	Aug. 24	Sept. 3
Aug. 28	Sept. 6	Sept. 7	Sept. 17

* "New time" dealings may take place from 9.30 am two business days earlier.

British Funds and Gold Mining issues contained their recent firmer trends in Stock markets yesterday, but the promising rally in equities was halted on a combination of end-Account profit-taking and lack of follow-through support.

With the help of a further sharp gain in the bullion price, South African Golds made the most buoyant showing of the three main sectors, the Gold Mines index measuring the improvement here with a rise of 8.4 to 166.3. This makes a gain of 19.6 so far this week to a level which is, however, well off the 208.4 peak for the year recorded a couple of months ago.

After the previous day's strong buying which resulted in the exhaustion of the long tap and to faint hopes that lower interest rates may be in the offing, Gilt-edged faltered with buyers becoming a little wary ahead of next week's money supply figures. Gains to ¾ were reduced to ½ at the close and the Government Securities index improved 0.41 to 73.96 for a seven-day rise of 1.72—nearly 2½ per cent.

Following a quietly steady opening, equity leaders drifted lower in a reduced trade, although total bargains still amounted to 18,222 compared with Wednesday's 18,563. Down a mere 0.3 at 10 am, the FT 30-share index eased progressively, to close at the day's lowest of 467.4, thus losing 6.3 of Wednesday's rise of 7.1; on the week so far, however, the index retains a net gain of nearly 10 points. Rises and falls in all FT-quoted industrials were almost in balance, but the former held sway for the seventh successive day.

Encouraged by the previous day's swift exhaustion of the long tap stock, Government Securities made fresh headway yesterday. Fresh demand at the long-end of the market pushed prices up by ¾, but profit-taking at the enhanced levels left final quotations around ¼ below the best. The former tap, Treasury 11¾ per cent, 2003-07, mirrored the trend, but finished only ⅛ better at 15¾, after touching 16⅛. A reasonably brisk trade developed in the shorts which closed with gains ranging to 3/16.

A heavy well-balanced institutional business developed in the investment currency market where the premium touched a high of 28½ per cent in the early trade following early weakness in sterling before reacting late to close at 27¾ per cent, a fraction higher than the overnight level. Yesterday's SE conversion factor was 0.9122 (0.9225).

Wednesday's flurry in Traded options proved to be short-lived, and only 244 contracts were completed against the previous day's 543. Shell attracted the majority of yesterday's business, recording 100 trades.

Discounts better

Discount Houses moved higher, taking their cue from the gilt-edged market. **Allen Harvey and Ross** advanced 10 to 375p, while **Alexanders**, 235p, and **Union**, 375p, improved 5 apiece. **Gerrard and National** put on 4 to 254p and **Cater Ryder** hardened 3 to 358p. The major clearing banks tended quietly firm with **Barclays** up 8 at 445p and **Midland** 6 to the good at 376p. **Hambros** were an isolated firm feature in merchant banks, rising 7 to 317p. Among Hire Purchases, **UDT** at 43p, lost a penny of the previous day's rise of 3 which followed the better-than-expected annual results.

Lloyds Brokers reacted from recent dollar-inspired strength. **C. E. Heath** cheapened 7 to 191p as did **Minet**, to 124p, while **Willis Faber** dipped 5 to 205p.

Although the American scientific report linking cancer with the consumption of certain Scotch whiskies had been countered by the manufacturers, nervousness crept into the Distillery sector. **Distillers** fell 4 to 236p, while **Highland**, which produces the large-selling Cutty Sark brand, gave up a like amount to 94p. Brewery leaders encountered a little end-account selling, **Allied** shedding a couple of pence to 92p and **Scottish and Newcastle**, at 65p, losing most of Wednesday's rise of 2.

Quieter and occasionally easier conditions prevailed among leading Building descriptions, but interest was still being shown in selected secondary issues where hopes of cheaper money stimulated demand for **Barratt Developments** which touched 125p before settling at 122p for a gain of 2 on balance. Other housebuilders to attract attention included **Federated Land and Building** which put on 4 to 69p and **Ward Holdings** which added 3 to 52½p; the latter's interim results are due on August 24. Elsewhere, **Brown and Jackson** firmed 8 to 273p, after 275p, on renewed investment demand, while **IDC** moved up 7 to 136p in a thin market and **Crouch Group** improved 3 to 72p.

ICI, at 335p, encountered small scrappy selling and relinquished all of the previous day's gain of 7. Among other Chemicals, acquisition news stimulated interest in **Brent** which firmed 5 to 237p.

Harris Queensway up

Harris Queensway became a prominent firm feature in Stores, closing 12 higher at 268p following investment buying. **Time Products** were similarly supported and finished 5 to the good at 88p, while **Lee Cooper** improved 7 in a thin market to 182p. Still reflecting takeover hopes, **Peters** added 3 more to 77p, after 78p, but profit-taking after the recent good rise left **MFI Furniture** down 6 at 166p. Among the leaders, **Gussies A** reacted 6 to 414p after recent Press-inspired strength and **Marks and Spencer** softened a penny to 117p. Renewed speculative interest, however, lifted **Burton A** 4 to 258p.

A buoyant market of late on asset value considerations and bid hopes. **Stylo Shoes** ran back 11 to 204p on profit-taking.

Electrical leaders drifted a few pence easier. Elsewhere, **Sound Diffusion** encountered profit-taking and shed 3 to 129p, while fresh occasional offerings left **Ward and Goldstone** 1½ cheaper at 85½p. In contrast, **Unitech** rallied 2 further to 182p. **Brocks Group** were supported at 97p, up 6, along with **Automated Security**, 5 to the good at 170p. Fresh interest was shown in **Concord Rotaflex** which improved 2 further to 46p.

Leading Engineers turned easier, mainly on lack of fresh support. **John Brown** gave up 8 to 419p and **Hawker** 6 to 196p, while **Tubes** eased 4 to 328p. Elsewhere, **Averys** reacted 7 to 246p following the previous day's burst of speculative activity, but **Wellman Engineering** ended 3½ to the good at 68p after news of the increased offer worth 70p cash from Redman Heenan. **Ratcliffs (Great Bridge)** hardened a penny to 80p in response to the interim statement, and favourable Press mention left **W. E. Norton** 1½ dearer at 26p. Occasional support lifted **Metalrax** 3 to 63p and **Martonair** a similar amount to 180p, but **Acrow "A"** reacted 4 to 58p after the recent improvement on the annual results.

Unilever lower

Scattered selling and an absence of buying partially eroded recent gains in leading Foods where **Tate and Lyle** slipped 2 to 138p, **Cadbury Schweppes** eased a penny to 56p and **J. Sainsbury** relinquished 5 to 323p. Still unsettled by the company's proposed capital reduction, **Barker and Dobson** were subjected to another bout of selling and touched 17¼p before settling at 17¾p, a penny down on balance. On the other hand, further speculative support prompted gains of 4 and 5 respectively in **Bernard Matthews**, 277p, and **William Morrison**, 177p.

Profit-taking clipped 7 from **Trusthouse Forte** to 142p and left **Grand Metropolitan** 4 cheaper at 149p.

The withdrawal of recent investment support made for easier conditions in the Miscellaneous industrial leaders yesterday. **Unilever** led the retreat with a fall of 12 to 508p, while **Glaxo** declined 5 to 433p and **Turner and Newall** dipped 3 to 127p. Elsewhere, **Carlton Industries** were notable for a speculative rise of 10 to 260p, while buying in front of today's preliminary figures left **Radiant Metal** 4 dearer at 46p. Ahead of Monday's annual results, **AGB Research** advanced 6 to 174p and **Relyon PBWS** improved 3 to 107p in response to the increase in interim earnings. A couple of pence easier in front of the announcement, **Longton Transport** picked up on the favourable results to close 2 better on balance at 83p. Still drawing strength from recent Press comment, **E. Fogarty** added 9 more to 324p, while **Chubb** put on 5 to 133p following the chairman's encouraging remarks at the annual meeting. Speculative support was again forthcoming for **Avon Rubber** which improved 4 to 146p and buyers lifted **Diploma Investments** 6 to 323p. Profit-taking after the previous day's jump of 27 which reflected the doubled interim dividend, higher profits and proposed 50 per cent scrip issue, prompted a reaction of 10 to 445p in **J. Bibby**.

Motor sectors closed mixed. **Automotive Products** interim statement bettered general expectations and the shares rose 4½ to 88½p despite some accompanying cautious remarks about profit margins. **Flight Refuelling** finished a similar amount better at 196p as speculative demand revived, but **Jonas Woodhead**, 100p, and **Dowty**, 318p, succumbed to profit-taking after recent firmness and eased 5 and 4 respectively. Support also fell away for **Lex Service**, 3 lower at 96½p.

Among quiet Paper/Printings, **David S. Smith** fell 3 to 75p following the reduced annual profits, while **Bunzl** firmed that amount to 103p, as did **Jefferson Smurfitt**, 146p.

Firm of late on cheaper money hopes, occasional profit-taking left **Land Securities** 4 down at 300p. **MEPC** shed a penny to 190p. Elsewhere in Properties, speculative counter **Imry** slipped 15 to 625p, but late demand lifted **Hammerson "A"** that much to 880p.

Sellers eventually gained command in the Oil sector after a reasonable two-way trade. **British Petroleum** reacted 15 to 1,195p and **Shell** 6 to 350p while, in secondary issues, **Tricentrol**, down 9 at 223p, failed to benefit from the royalty deal with the Government. **Oil Exploration** fell 6 to 350p and **Ultramar** 7 to 303p, but **Siebens (UK)** took a turn for the better after recent dullness and rallied 6 to 250p.

Trusts trended firmer again, but **York Green** gave up 1½ to 12½ in Financials following the annual results and proposed one-for-one rights issue.

David Dixon added 4 more to 170p on further consideration of Wednesday's excellent annual statement. The trend elsewhere in Textiles was easier, however, **Courtaulds** slipping a penny to 84p and **Carpets International** 2 to 52p.

Dealings were resumed in **Siemssen Hunter** following Wednesday's 88p per share offer from Britannia Arrow; suspended some seven weeks ago at 78p, the shares opened at 87p and drifted gently easier in a reasonable business to close at 85p.

Further gains in Golds

It was another good day for the mining market, particularly for South African Golds. The latter attracted a strong demand from both London and overseas following the further rise in the bullion price, which was finally another $5 higher at $296.375 an ounce.

Prices ended the day a fraction below the best but gains were sufficient to lift the Gold Mines index 8.4 more to 166.3—for a two-day improvement of 16.5—and the ex-premium index 6.0 to 151.7.

Among the heavyweights, **Vaal Reefs** were outstanding with a rise of a point at £16½ while similar gains were seen in **Randfontein**, £27½, and **West Driefontein**, £22¾. Medium- and lower-priced issues showed **Kloof** 33 higher at 654p, **East Driefontein** 40 better at 647p and **Blyvoor** 24 firmer at 318p.

South African Financials mirrored Golds. **"Amgold"** were prominent at £18¾, up ¾, in front of the sharply increased interim dividend, while similar rises were seen in **"Johnnies,"** £15¾ and **Gold Fields of South Africa**, £16¼.

London Financials held steady despite the downturn in the UK equity market. **Charter** eased 2 to 137p in front of today's annual meeting.

In Platinums, persistent London buying prompted an improvement of 11 to 168p in **Impala**; the annual results are expected in the next couple of weeks.

Elsewhere, the **Northgate** group of companies all moved ahead in response to speculative interest. **Northgate** advanced 20 to 350p, after 360p, **Westfield Minerals** 22 to 215p, after 240p, and **Anglo United Development** 4 to 200p, after 204p.

FINANCIAL TIMES STOCK INDICES

	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 3	Aug. 2	A year ago
Government Secs.	73.96	73.55	73.11	72.70	72.79	72.63	71.53
Fixed Interest	74.64	74.12	73.75	73.64	73.70	73.60	72.89
Industrial	467.4	473.7	466.6	459.6	457.5	455.7	516.0
Gold Mines	166.3	157.9	149.8	148.4	146.7	150.1	198.5
Gold Mines(Ex-$ pm)	151.7	145.7	139.3	137.6	136.1	138.7	127.6
Ord. Div. Yield	6.91	6.82	6.91	7.01	7.05	7.07	5.27
Earnings, Yld. % (full)	17.52	17.31	17.58	17.77	17.80	17.94	15.96
P/E Ratio (net) (*)	7.17	7.25	7.16	7.06	7.03	7.00	8.56
Total bargains	18,222	18,563	15,944	13,477	13,999	14,071	—
Equity turnover £m	—	91.21	75.87	43.53	62.98	68.12	188.47
Equity bargains total	—	11,988	10,627	8,620	9,419	10,582	26,369

10 am 473.4. 11 am 472.8. Noon 472.0. 1 pm 469.8. 2 pm 467.7. 3 pm 467.6.

Latest Index 01-246 8026.

* Nil=6.90.

Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex-$ premium index started June, 1972. SE Activity, July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	66.05 (13/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	446.1 (12/2)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	208.4 (6/6)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines Ex $pm)	169.5 (6/6)	95.2 (2/11)	337.1 (3/4/74)	64.3 (25/6/76)

S.E. ACTIVITY

	Aug. 9	Aug. 8
—Daily		
Gilt Edged	205.4	153.7
Industrials	147.1	137.4
Speculative	22.5	25.8
Totals	105.7	91.2
5-d'y Av'r'ge		
Gilt Edged	156.5	145.0
Industrials	123.9	119.2
Speculative	23.7	24.0
Totals	85.2	81.5

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (22)

BRITISH FUNDS (6)
Treas. 12pc 1984 — Treas. 11¾pc '03-07 £15 pd.
Treas. 3pc 1979 — Consols. 2½pc
Elect. 4¼pc '74-79
Gas 3pc '90-95

BANKS (1)
Security Pacific Cpn.

BEERS (1)
Burtonwood

BUILDINGS (1)
Finlan (John)

STORES (1)
Peters Stores

ELECTRICALS (1)
Farnell Electronics

FOODS (1)
Morrison (W.)

INDUSTRIALS (5)
Broken Hill Pty. — Relyon PBWS
Halma — Utd. Gas Inds.
Radiant Metal

PROPERTY (4)
Allied London — McKay Securities
Clarke Nicholls — Town & City

TOBACCOS (1)
Siemssen Hunter

NEW LOWS (12)

ELECTRICALS (2)
EMI — Ward & Goldstone

ENGINEERING (4)
Aurora Holdings — Richards (Leicester)
Hallite — Stothert & Pitt

INDUSTRIALS (3)
Canning (W.) — Solicitors' Law
Downs Surgical

MOTORS (1)
Brown Brothers

TRUSTS (2)
Smith Brothers — Yorkgreen

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	78	3	8
Corpns., Dom. and Foreign Bonds	46	—	19
Industrials	288	245	879
Financial and Prop.	188	84	234
Oils	9	17	13
Plantations	7	2	18
Mines	85	8	51
Others	67	30	61
Totals	768	390	1,284

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug. 6	Aug. 17	Nov. 1	Nov. 12
Aug. 20	Aug. 31	Nov. 15	Nov. 26
Sep. 3	Sep. 14	Nov. 29	Dec. 17

For rate indications see end of Share Information Service

Money was given for the call in Shell, Grimshawe, Spillers, Tricentrol, Ultramar, Rustenburg Plat, BSG, Kitchen Queen, Imperial, Talbex, Bambers, Britannia Arrow, EMI, Keda International and Selincourt. Puts were dealt in Whitbread, BTR and Taylor Woodrow. No doubles were reported.

LONDON TRADED OPTIONS

Option	Ex'rc'se price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP	1050	162	2	—	—	—	—	1195p
BP	1150	80	5	[illegible]	[illegible]	[illegible]	[illegible]	
Com. Union	130	25	—	27	—	30	—	147p
Cons. Gold	200	28	10	30	—	[illegible]	—	221p
Cons. Gold	220	16	—	21	4	30	—	
Cons. Gold	240	7	1	13	—	20	—	
Cons. Gold	260	1	—	2	—	8	—	
GEC	330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	379p
GEC	420	5	2	26	2	[illegible]	—	
GEC	460	2	7	8	—	[illegible]	—	
Grand Met.	130	18	15	22	—	[illegible]	—	149p
Grand Met.	160	3	[illegible]	12½	—	[illegible]	—	
ICI	330	15	17	29	1	33	7	334p
Land Secs.	280	33	2	43	5	54	—	301p
Land Secs.	330	8	3	16	—	—	—	
Marks & Sp.	100	21	3	[illegible]	—	—	—	116p
Marks & Sp.	110	14	—	16	—	[illegible]	—	
Marks & Sp.	130	5	1	12	—	16	—	
Shell	325	26	60	28	—	—	—	353p
Shell	350	7	11	15	—	—	—	
Shell	375	4	24	11	—	—	—	
Shell	400	1	4	6	—	—	—	
Totals			168		28		9	
		August		November		February		
EMI	100	2	—	6	1	14	—	94p
EMI	120	½	—	3	—	7	15	
Imperial Gp.	80	25	10	40	—	15	—	94p
RTZ	260	25	—	26	1	51	—	
RTZ	300	2½	1	18	—	29	—	
RTZ	330	½	—	10	—	19	—	
RTZ	360	½	—	4	10	6	—	
Totals			11		18		15	

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
ICI	£1	12	335	− 7	415	314
BP	£1	11	1,195	−15	1,295	882
De Beers Dfd.	R0.05	8	358	+ 8	482	332
GEC	25p	8	380	− 1	456	311
Shell Transport	25p	8	350	− 6	402	278
Unilever	25p	8	508	−12	680	482
Barclays Bank	£1	7	445	+ 8	514	360
Burmah Oil	£1	7	139	− 3	150	82
Courtaulds	25p	7	84	− 1	122	82
Distillers	50p	7	236	− 4	259	198
Glaxo	50p	7	433	− 5	600	433
BAT Inds.	25p	6	286	− 5	362	255
BTR	25p	6	327	− 3	341	219
Sun Alliance	£1	6	536	—	682	474
Ultramar	25p	6	303	− 7	320	197

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	F.P.	24/8	75	60	Arrow Chemicals	71		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	—	88	85	Barlow Hldgs.	88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
80½	F.P.	27/7	105½	88½	Fairline Boats	102	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
160	F.P.	5/8	187	165	Hampton Hous.	180	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	10/8	87	78	Metoy Dfd.	80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	St. George's Assets 10p	84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
160	F.P.	8/8	198	196	Standard Tel. & Cables	196	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
¶91	F.P.	21/9	87	86¼	Aurora 8% Conv. Cum. Pref.	87	[illegible]
100	F.P.	30/7	101¼	92	English & Overseas Inv. Conv.	92	[illegible]
¶96½	£10	—	11¼	9½	East Water 8% Red. Pf. 1984	[illegible]	[illegible]
100	F.P.	27/7	115	107	Kwik-Fit (Tyres) 8% Cnv. Ln. 1979/85	112	[illegible]
[illegible]	F.P.	—	97	95	Lonrho 9% 2nd Mort. Deb. 87/92	[illegible]	[illegible]
[illegible]	F.P.	—	89½	86½	Do. 12½% 2nd Mort. Deb. 85-90	[illegible]	[illegible]
[illegible]	F.P.	—	97	96	Do. 12% 2nd Mort. Deb. 80-82	[illegible]	[illegible]
97	F.P.	—	97½	97	Scot. Agricultural Sec. 15% Deb. 97-99	97½	[illegible]
100p	F.P.	—	102	100	Stonehill 10% Cum. Prf.	100	[illegible]
¶98	F.P.	24/8	101	97	Sund. & S. Shields Water 8% 1986	[illegible]	[illegible]
¶98	£10	10/10	13	10	Wrexham Water 8% 1984	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −
14	Nil	—	4pm	4pm	Abwood Machine Tools	4pm	[illegible]
25	Nil	—	45pm	42pm	Bank & Commercial	45pm	[illegible]
A$2	Nil	—	47pm	37pm	Bank of New South Wales	47pm	[illegible]
36	F.P.	9/7	10/8	45	Causton Sir (J.)	[illegible]	[illegible]
65	F.P.	17/7	10/8	88	Century Oils	[illegible]	[illegible]
52½	F.P.	[illegible]	[illegible]	[illegible]	Combined English Stores	[illegible]	[illegible]
30	F.P.	[illegible]	[illegible]	[illegible]	Control Securities	[illegible]	[illegible]
25	F.P.	[illegible]	[illegible]	[illegible]	Edinburgh & Gen.	[illegible]	[illegible]
195	F.P.	[illegible]	[illegible]	223	Elliott (B.)	[illegible]	[illegible]
25	Nil	[illegible]	[illegible]	[illegible]	Goodkind (W.)	[illegible]	[illegible]
60	F.P.	[illegible]	[illegible]	[illegible]	Goldberg (A.)	[illegible]	[illegible]
126	F.P.	[illegible]	[illegible]	[illegible]	Grand Metropolitan	150	[illegible]
50	F.P.	[illegible]	[illegible]	[illegible]	Hanson Trust	[illegible]	[illegible]
47	F.P.	[illegible]	[illegible]	[illegible]	Hargreaves	[illegible]	[illegible]
115	F.P.	[illegible]	[illegible]	[illegible]	Hawley's Wharf	[illegible]	[illegible]
88	F.P.	[illegible]	[illegible]	[illegible]	Highland Dist.	[illegible]	[illegible]
155	F.P.	[illegible]	[illegible]	[illegible]	Holt Lloyd Intl.	[illegible]	[illegible]
110	F.P.	[illegible]	[illegible]	[illegible]	Intl. Timber	[illegible]	[illegible]
30	Nil	[illegible]	[illegible]	[illegible]	Lennons	[illegible]	[illegible]
5	Nil	[illegible]	[illegible]	[illegible]	London Inv. Trust	[illegible]	[illegible]
25cts	Nil	[illegible]	[illegible]	[illegible]	Ovenstone	[illegible]	[illegible]
60	F.P.	[illegible]	[illegible]	[illegible]	Sound Diffusion	[illegible]	[illegible]
108	F.P.	[illegible]	[illegible]	[illegible]	Stylo Shoes	[illegible]	[illegible]
57	F.P.	[illegible]	[illegible]	[illegible]	UBM	[illegible]	[illegible]
87	F.P.	[illegible]	[illegible]	[illegible]	W.G.I.	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. † Unlisted security. ‡‡ Issued as units comprising 2 income shares and 10 Capital shares at 125p per unit.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thurs., Aug. 9, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed., Aug. 8 Index No.	Tues., Aug. 7 Index No.	Mon., Aug. 6 Index No.	Fri., Aug. 3 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (172)	242.71	−0.4	17.68	5.87	7.31	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Building Materials (27)	223.48	−0.4	18.67	5.97	6.99	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (28)	361.41	+0.6	25.25	5.08	4.96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals (15)	508.10	−0.5	12.82	3.81	10.71	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Engineering Contractors (12)	366.46	−0.7	20.00	6.41	6.25	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (74)	176.36	−0.7	19.10	6.59	6.67	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (16)	160.83	−0.7	19.46	9.31	6.39	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CONSUMER GOODS										
11 (DURABLE) (52)	230.65	−0.3	15.80	4.94	7.95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12 Lt. Electronics, Radio, TV (16)	324.34	−0.1	12.24	3.70	10.57	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13 Household Goods (13)	149.34	+0.1	19.50	7.31	6.29	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14 Motors and Distributors (23)	111.78	−1.1	23.93	7.49	5.08	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CONSUMER GOODS										
21 (NON-DURABLE) (171)	239.07	−1.0	16.58	5.93	7.62	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Breweries (14)	285.33	−0.8	15.89	5.36	7.50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23 Wines and Spirits (6)	327.95	−1.7	16.76	5.48	7.45	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24 Entertainment, Catering (17)	306.33	−0.7	16.24	6.64	8.11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (19)	204.78	−1.5	19.33	6.49	6.43	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing (15)	314.85	−0.4	11.75	4.06	10.15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 Newspapers, Publishing (12)	409.54	+0.1	23.10	7.10	6.07	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33 Packaging and Paper (15)	154.23	[illegible]	20.18	8.55	6.05	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Stores (41)	247.89	−0.7	11.79	4.18	11.35	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (23)	152.97	−0.5	24.05	10.14	5.26	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Tobaccos (3)	245.23	−1.1	23.49	9.07	4.86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37 Toys and Games (6)	73.77	+0.1	23.63	9.13	5.02	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (99)	199.04	−0.8	16.03	6.32	7.69	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Chemicals (18)	277.03	−1.6	18.32	6.97	6.21	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43 Pharmaceutical Products (7)	237.22	−0.9	12.91	5.09	9.47	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Office Equipment (6)	118.61	−0.9	16.91	6.79	7.62	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Shipping (10)	445.12	+0.3	10.56	6.74	12.68	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Miscellaneous (58)	238.09	−0.2	16.36	6.16	7.50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (494)	236.85	−0.8	16.58	5.93	7.58	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (6)	602.21	−1.5	12.16	3.58	8.72	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX	270.38	−0.9	15.80	5.56	7.70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (116)	189.45	−0.1	—	5.52	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	224.56	+1.3	36.17	5.70	3.54	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (10)	260.12	+1.9	—	7.06	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64 Hire Purchase (5)	166.37	[illegible]	19.97	5.22	6.42	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (10)	146.37	−1.6	—	6.95	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (8)	125.12	−0.4	—	7.99	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance Brokers (10)	260.77	−2.5	19.20	7.03	7.45	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (14)	98.24	+0.7	—	7.58	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (43)	360.74	−0.4	3.31	2.52	44.56	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Miscellaneous (10)	116.65	+0.2	15.95	7.58	8.03	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (110)	248.50	+0.1	—	5.18	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	120.70	+0.4	16.50	6.26	7.43	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (20)	336.18	+0.4	16.17	7.40	7.57	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (750)	247.07	−0.6	—	5.77	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Thurs., Aug. 9	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	104.06	+0.20	—	5.18
2	5-15 years	118.58	+0.64	0.16	7.06
3	Over 15 years	129.84	+0.69	0.25	8.46
4	Irredeemables	139.94	+0.69	—	7.24
5	All stocks	116.19	+0.41	0.09	6.82

FIXED INTEREST YIELDS: British Govt. Av. Gross Red.		Thurs., Aug. 9	Wed., Aug. 8	Year ago (approx.)
1	Low Coupons 5 years	[illegible]	[illegible]	[illegible]
2	Low Coupons 15 years	[illegible]	[illegible]	[illegible]
3	Low Coupons 25 years	[illegible]	[illegible]	[illegible]
4	Medium Coupons 5 years	[illegible]	[illegible]	[illegible]
5	Medium Coupons 15 years	[illegible]	[illegible]	[illegible]
6	Medium Coupons 25 years	[illegible]	[illegible]	[illegible]
7	High Coupons 5 years	[illegible]	[illegible]	[illegible]
8	High Coupons 15 years	[illegible]	[illegible]	[illegible]
9	High Coupons 25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables	[illegible]	[illegible]	[illegible]

		Thurs., Aug. 9 Index No.	Yield %	Wed. Aug. 8	Tues. Aug. 7	Mon. Aug. 6	Fri. Aug. 3	Thurs. Aug. 2	Wed. Aug. 1	Tues. July 31	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	58.34	12.72	58.10	58.07	58.05	58.10	58.07	58.15	58.21	57.88
16	Investment Trust Prefs. (15)	50.69	13.32	50.69	50.69	50.69	50.69	50.69	50.69	50.93	51.57
17	Coml. and Indl. Prefs. (20)	71.67	13.62	71.60	71.60	71.83	71.80	71.85	72.46	72.46	70.19

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

هكذا من الأصل

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

Friends' Provdt. Unit Tst. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	48.6	51.9	+0.1	4.71
Do. Accum.	65.1	69.6	+0.2	4.71

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300
*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4R 9BH 01-623 1050

Minster July 30	38.2	40.2	.....	6.27
Exempt July 31	100.7	104.7	.....	6.40

MLA Unit Trust Mngmnt. Ltd.
Old Queen Street, SW1A 9JG. 01-222 8177

MLA Units	52.9	55.6	.....	3.81

Murray Johnstone U.T. Mgmt.♥ (a)
163, Hope Street, Glasgow, G2 2UH. 041-221 5521

MJ European	68.9	73.4	+2.4	4.47

Dealing Day Friday.

Mutual Unit Trust Managers♥ (a)(g)
15 Copthall Ave., EC2R 7BU. 01-606 4803

Mutual Sec. Plus	51.9	55.3	+0.1	7.56
Mutual Inc. Tst.	72.5	76.7	+0.1	7.79
Mutual Blue Chip	46.1	49.5	+0.2	6.85
Mutual High Yld.	56.5	60.9	+0.2	9.26

Prudl. Portfolio Mngrs. Ltd.♥ (a)(b)(c)
Holborn Bars, EC1N 2NH. 01-405 9222

Prudential	139.5	148.0	.....	5.13

Quilter Management Co. Ltd.♥
The Stock Exchange, EC2N 1HP. 01-600 4177

Quadrant Gen. Fd.	117.6	122.6	.....	4.40
Quadrant Income	133.9	138.1	.....	8.55
Quadrant Intl. Fund	98.3	101.4	.....	1.68

Reliance Unit Mgrs. Ltd.♥
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

Opportunity Fd.	68.7	73.4	.....	6.22
Sekforde T. (Acc.)	43.6	46.6	-0.4	5.59
Sekforde T. Inc.	41.0	43.8	-0.4	5.59

Ridgefield Management Ltd.
38-40, Kennedy St., Manchester 061-236 8521

Ridgefield Int. UT	71.0	76.0	.....	3.11
Ridgefield Income	87.0	93.0	.....	9.79

Schlesinger Trust Mngrs. Ltd. (a)(c)(g)
140, South Street, Dorking (0306) 86441

Tower Unit Trust Mngt. Ltd.
39/45 Finsbury Square, EC2A 1PX 01-628 2294

Income & Growth	22.9	24.1	.....	8.80

Trades Union Unit Tst. Managers♥
100, Wood Street, E.C.2 01-628 8011

TUUT August 1	52.7	56.1	.....	5.43

Transatlantic and Gen. Secs.♥ (c)(y)
91-99, New London Rd., Chelmsford. 0245-51651

J. Henry Schroder Wagg & Co. Ltd.♥(a)(c)
120, Cheapside, E.C.2. 01-240 3434

Frankington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American	47.8	49.8	.....	1.13
Capital Tst.	156.5	166.2	+3.6	3.81
Income Tst.	115.4	122.6	+2.8	7.84
Int. Growth Fd.	122.6	130.4	+5.8	2.27
Do. Accum.	128.3	136.4	+6.2	2.27

High Yield	61.6			
Do. Accum.	69.1	74.3	+0.2	8.55
Equity Exempt*	112.2	118.4	+2.8	5.30
Do. Accum.*	112.2	118.4	+2.8	5.30
Japan & Pacific	32.6	35.3	+1.4	1.54
Do. Accum.	32.6	35.3	+1.4	1.54

*Prices at Aug. 10. Next dealing Aug. 17.

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. § Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

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OFFSHORE AND OVERSEAS FUNDS

Alexander Fund
37, rue Notre-Dame, Luxembourg.

Alexander Fund	SUS6.23		.....	—

Net asset value August 8.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Gilt Edg.Fd.	£12.24	12.32	-0.36	11.76

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 76077

Keyser Ullmann Ltd.
25, Milk Street, EC2V 8JE. 01-606 7070

King & Shaxson Mngrs.
1 Charing Cross, St. Helier, Jersey. (0534) 73741

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LOANS

Public Board and Ind.

Financial

High	Low	Stock	Price £	+ or −	Int.	Red.
103¾	98¾	FFI 13pc 1981	100¼	+¼	12.97	12.75
107	100	Do. 14pc '79	101	......	14.24	—
108¼	98¼	Do. 14pc '83	103¼	+½	13.56	12.98
86½	77½	ICFC 5½pc Deb. '80-82	85½	+1	6.62	12.00
85	71½	Do. 6½pc Db. '81-84	78½	+½	8.13	12.40
99	84½	Do. 10¼pc Uns.Ln. '86	92	+½	11.56	12.60
99	84½	Do. 11pc Uns.Ln. '88	94	+1	11.86	12.20
101½	84	Do. 11¾pc Uns.Ln. '90	96	+½	12.41	12.70
72½	57	Do. 7¼pc ADeb. '89-92	67	+1	11.09	12.70
69	53½	Do. 7¼pc A Db. '91-94	66½	+½	11.43	12.80
81½	64½	Do. 9pc 'A' '91-94	79	+1	11.95	12.70
78½	62½	Do. 8¾pc Ln. '92-97	72½xd	+½	12.24	12.70
101¼	95½	Do. 12¾pc. Uns. Ln. 1992	101¼	+½	12.87	13.00

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U.S. $ & DM prices exclude inv. $ premium

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Conversion factor 0.9122 (0.9225)

CANADIANS

S.E. List Premium 9⅝% (based on $2.6111 per £)

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
£173⁄4	930	Com'zbk DM 10	£10¾	......	Q26.6%	—	6.0	—
£181½	£101¼	C'hgn.Hbk.Kr100	£101¼	......	Q12%	—	11.1	—
41	29	Corinthian 10p	35	......	1.05	5.9	4.3	4.0
£24¼	£15	Cred. France F75	£17½	......	Q9.87%	—	3.7	—
16	12	Dawes (G. R.)	12	......	—	—	—	—
£121	£64	Deutsche Bank DM50	£67½	......	Q28.12%	—	5.1	—
90	63	F. C. Finance	63	......	2.2	4.9	5.0	5.8
8¼	5¼	First Nat. 10p	6	......	—	—	—	0.4
4	2	Do. Wrrts. 75-83	2½	......	—	—	—	—
		For Fraser Ansbacher see Ansbacher (H.)						
266	178	Gerrard Natnl.	254	+4	9.12	—	5.1	—
62	39	Gibbs (A.)	52	......	2.2	—	6.0	—
270	217	Gillett Bros. £1	224xd	+2	†16.95	—	10.8	—

BANKS & HP—Continued

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FINANCIAL TIMES
PUBLISHED IN LONDON & FRANKFURT
Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 886341/2, 883897. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.
Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.
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MINES—Continued

AUSTRALIAN

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
14	9	Acmex	12	......	—	—	—
14	4	ACM 20c	9	......	—	—	—
171	100	Bougainville 50 Toea	116	......	Q15c	1.0	6.6
140	84	BH South 50c	106	......	—	—	—
860	340	Central Pacific	660	–10	—	—	—
318	170	Conzinc Riotinto 50c	194	–1	NQ10c	2.0	2.7
36	16	Cultus Pacific N.L.	17	–1	—	—	—
21½	11	Endeavour 20c	14	......	—	—	—
98	62	G.M. Kalgoorlie $1	82	+3	Z03c	—	1.9
42	23	Haoma Gold N.L.	30	+2	—	—	—
210	148	Hampton Areas 5p	185	......	3.5	2.8	2.7
71½	25	Metals Ex. 50c	43	+2	—	—	—
275	168	M.I.M. Hldgs. 50c	198	+5	†Q9c	1.7	2.4
15	15	Minefields Expl.	15	......	—	—	—
74	30	Mount Lyell 25c	40	+1	—	—	—
44	14	Newmetal 20c	15	......	—	—	—
141	91	North B. Hill50c	105	–2	†Q8c	1.3	3.9
22	11	Nth. Kalgurli	17	......	—	—	—
40	22	Nth. West Mining	30	+4	—	—	—
137	76	Oakbridge $A1	80	+2	Q12c	1.9	7.9
38	22	Oilmin N. L.	38	......	—	—	—
120	58	Pacific Copper	110	+4	—	—	—
£10¼	625	Pancont'l 25c	750	......	—	—	—
25¾	15½	Paringa M&Ex 5p	20½	+½	—	—	—
510	268	Peko-Wallsend 50c	306	+6	Q15c	3.3	2.5
340	145	Southern Pacific	265	......	—	—	—
16	12	West Coast 25c	13	......	—	—	—
188	121	Westn. Mining 50c	152	+1	†Q3c	0.7	1.0
11	9	Wesumex	10	......	—	—	—
65	50	Whim Creek 20c	55	......	—	—	—
25	13	York Resources	13	......	—	—	—

TINS

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	27	......	2.81	1.3	14.9
435	265	Ayer Hitam SM1	300	+5	Q300c	0.5	21.5
72	51	Beralt Tin	51	......	4.0	3.3	11.2
270	175	Berjuntai SM1	185	......	Q95c	φ	11.9
160	125	Geevor	135xd	......	8.71	3.1	9.2
10½	8	Gold & Base 12½p	8	......	—	—	—
365	295	Gopeng Cons.	315	......	†18.0	1.4	8.2
370	295	Hongkong	320	......	†12.5	2.8	5.6
98	64	Idris 10p	84xd	......	†8.0	1.6	13.6
14	9½	Jantar 12½p	11	......	φ	—	—
95	58	Kamunting SM0.50	75	+5	Q47½c	φ	15.5
620	210	Killinghall SM1	340	......	—	—	—
465	365	Malay Dredging SM1	400	+10	†175c	0.7	1.6

[illegible]

COPPER

[illegible]

MISCELLANEOUS

[illegible]

GOLDS EX-$ PREMIUM

[illegible]

NOTES

[illegible]

... 30p in the £. ¥ Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stay unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

" Recent Issues " and " Rights " Page 22

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or –	Stock	Price	+ or –
Albany Inv. 20p	26	......	Sindall (Wm.)	165	......
Bertam	23	......	IRISH		
Bdg'wtr. Est. 50p	405	......	Conv. 9% '80/82	£86	......
Clover Croft	28	......	Nat. 9¾% 84/89	£71⅝	......
Craig & Rose £1	£11½	......	Fin. 13% 97/02	£85⅝	......
Dyson (R. A.) A	26	......	Alliance Gas	85	......
Ellis & McHdy	180	......	Arnott	345	......
Fife Forge	54	......	Carroll (P.J.)	105	......
Finlay Pkg. 5p	19½	+½	Clondalkin	79	......
Graig Ship. £1	315	......	Concrete Prods.	87	......
Higsons Brew	75	......	Heiton (Hldgs.)	76	–2
Holt (Jos) 25p	260	......	Ins. Corp	200	......
I.O.M. Stm. £1	155	......	Irish Ropes	70	......
Pearce (C. H.)	265	......	Jacob	40	......
Peel Mills	30	......	T.M.G.	165	......
Sheff. Refrshmt	105	......	Unidare	62	......

OPTIONS

3-month Call Rates

[illegible]

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Friday August 10 1979

Cabinet set to endorse Rhodesia proposals

BY PHILIP RAWSTORNE

THE CABINET is expected today to endorse detailed constitutional proposals for bringing Rhodesia to legal independence.

The Government's aim is to secure rapid progress towards a peaceful and internationally recognised settlement. So long as this is in prospect, Mrs. Thatcher should be able to contain the threat of rebellion among Tory Right-wingers in the Commons.

This weekend, Mr. Derek Day, the senior Foreign Office official who has been the Government's link man in Salisbury, will convey the Government's peace plan to Bishop Abel Muzorewa, the Zimbabwe Rhodesian Prime Minister.

The proposals will also be put to Mr. Joshua Nkomo and Mr. Robert Mugabe, the Patriotic Front leaders and to the heads of the African Front Line states.

Mrs. Thatcher and Lord Carrington, the Foreign Secretary, who returned from Lusaka on Wednesday night, met at Downing Street yesterday to complete details of the plan which they will present to the Cabinet.

The Prime Minister, who also had talks yesterday with Mr. William Whitelaw, the Home Secretary, is anxious to maintain the momentum of the Government's initiative launched at the Commonwealth Conference.

She hopes to call an all-party conference in London early next month to discuss a draft independence constitution based on the Government's proposals.

This would ensure genuine black majority rule in Rhodesia but give safeguards to the white minority similar—to those included in the constitutions of other African States when they were granted independence.

The main changes that will be sought in the present "defective" constitution will be in the legislative blocking powers held by the white minority and in the composition of the commissions for the public services and security forces.

If the conference reaches agreement on the shape of the constitution—and on such other difficult questions as a ceasefire in the guerrilla war and interim control of the Rhodesian armed forces—the stage would be set for fresh elections supervised by the British Government and with Commonwealth observers.

If the initiative fails, or even begins to falter, the Prime Minister will come under intense pressure at the party conference in October to defy international opinion and recognise the Muzorewa government and lift sanctions.

Many resolutions demanding such moves immediately have already been submitted for debate at the Blackpool conference.

Many Tory MPs have also said that they will oppose the renewal of the Rhodesian sanctions order when it comes before the Commons in November.

French in bid to reduce effect of oil imports bill

BY ROBERT MAUTHNER IN PARIS

THE FRENCH Government is preparing a series of measures aimed at offsetting the adverse effects the rise in imported oil prices is having on the country's economy.

Recent price rises will increase France's oil bill by an estimated FFr 18bn (nearly £2bn) this year and by as much as FFr 30bn in 1980.

M. Raymond Barre, the Prime Minister, adamantly refuses to adopt a full-scale reflationary package because of the boost this would give to inflation and because of the fragility of France's trade balance. But he made clear yesterday that a stimulus would be given to the housing and public works sector in the early autumn.

Compensation for rising living costs would also be given to the "least favoured" section of the population in the form of increased allowances to low-income families with at least one child.

The special social security payment made at the beginning of every school year to families with an annual income of less than FFr 29,000 (about £3,000) and at least one child between the age of six and 16, will be raised substantially. The precise increase has not yet been announced.

The Government's attempt to take the sting out of the latest series of price rises for petrol, public transport, electricity, telephone calls, and rents—announced, as is the tradition in France, during the August holiday period—is unlikely to placate the unions and Left-wing opposition parties.

M. Barre has been beating the oil drum for all he is worth in his public explanations of mounting inflation, which is running at an annual rate of 11-12 per cent. Yet the unions and some economic commentators have stressed that higher oil prices cannot be held entirely responsible for the sharp increase in the cost of living.

Basing themselves on official statistics, the Prime Minister's critics have pointed out that only 0.9 per cent of the cumulative price rise of 5.5 per cent during the first half of this year could be attributed to the increase in oil prices.

If there had been no rise in oil prices at all, this year, the rate of inflation would still be running at 9.4 per cent, an indication that M. Barre's medicine has failed to work.

M. Georges Marchais, the French Communist leader, who said yesterday that he was prepared "to ally himself with the devil" to fight M. Giscard d'Estaing's and M. Barre's economic policy, has accused the Government of using the rises in oil prices as a pretext.

M. Marchais said that the oil companies, which had made record profits last year, should be forced to bear more of the burden of higher crude oil costs, and that the State should cease to pocket two-thirds of the price of petrol paid by the consumer.

Editorial Comment, Page 12

Chemicals industry downturn likely, association says

BY ELAINE WILLIAMS

BRITAIN'S chemicals industry faces poor prospects in the coming year, according to the Chemical Industries Association.

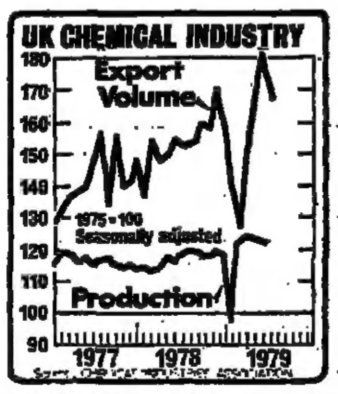
The association's latest economic bulletin says:

- Output this year will be, at best, 1 per cent up on 1978;
- Falling demand next year will make price rises difficult to introduce;
- Fuel shortages will hit output further;
- U.S. competition in Europe will intensify.

Ironically, the pessimistic forecasts come at a time of particularly buoyant sales by the major UK chemical companies. Business lost earlier this year through the road haulage strike and bad weather has been more than recovered.

But the high level of demand can be at least partly accounted for by companies stocking up in anticipation of price rises, the association says.

There are already signs of production tailing off, reflecting



the slowdown in the economies of the developed nations.

Some manufacturers, anticipating a slump, have left plant idle rather than start it up for only a few months.

Next year, if demand falls, "it will be difficult to sustain and increase product prices despite the continuance of high rates of inflation," the association says.

Serious shortages of fuel oil, despite a 10 to 15 per cent shortfall in deliveries by the main suppliers, have been avoided by running down stocks and buying, at high prices, on the European spot market.

But the association says that if the shortages continue, and British Gas is unable to supply sufficient gas to the industry as an alternative source of fuel, there will be a reduction in output.

Another problem is rapidly increasing feedstock costs, although these have been alleviated in the UK by the strength of the pound. Companies in the dyestuffs and pigments sectors in particular, have suffered.

The association believes that increased competition from the U.S. is a threat in European markets. Demand in the U.S. has been weakening, and manufacturers there have lower feedstock costs and a greater price competitiveness as a result of the fall in the value of the dollar.

ITV shutdown fears as ACAS peace talks fail

BY GARETH GRIFFITHS, LABOUR STAFF

THERE IS little hope of an early settlement of the Independent Television dispute. The Advisory, Conciliation and Arbitration Service said yesterda yit saw no purpose in holding further talks with the two sides.

There were suggestions in the industry last night that the companies plan to close down the entire ITV network until the three-week-old dispute is settled.

Mr. Ron Carrington, labour relations adviser to the Independent Television Companies Association, said there was a great danger of the dispute spreading. Thames, Harlech and Ulster are off the air at present.

Technicians

Television executives said they were afraid the absence of a proper national news service meant companies were contravening the Television Act laws governing ITV.

Independent Television News has not been broadcast since Wednesday because of strike action by technicians.

The ACAS decision to call off further talks follows the companies' decision not to move from their present 15 per cent offer. ACAS officials however plan to keep in close touch with events.

The union side indicated willingness at its earlier meeting with ACAS for further discussions and a joint meeting with the association.

Mr. Carrington said there was a limit to which employers were prepared to go. The association estimates that with fringe benefits, the offer is worth up to 23 per cent.

Managing directors from the 15 companies met yesterday after the talks at ACAS. In a statement issued last night they said ITV faced its most serious threat for many years.

Unofficial action by the unions has affected the ITV programme schedules to such an extent the network service is in danger of becoming inadequate.

The absence of ITN bulletins and programmes from Thames, Harlech and Ulster is causing major gaps in programme output, the statement said.

In the union side at the ACAS meeting were: Mr. Jack O'Connor, national ITV officer for the Association of Cinematograph Television and Allied Technicians; Mr. Jack Wilson, general secretary of the National Association of Theatrical Television and Kine Employees; and Mr. Alf McBrowse, national officer for the Electrical and Plumbing Trades' Union.

Mr. O'Connor said yesterday the moves to step up the dispute were coming from the Independent Television Companies Association. The ACTT had decided not to spread industrial action unless more of its members were suspended.

The union side expressed concern last night that the dispute could be longer than at first thought.

Mr. Wilson said before the start of the ACAS talks that a settlement could be a long slow process.

Mr. McBrowse said the electricians were exercising considerable restraint in not taking industrial action.

Steel corporation intends to continue coke imports

BY JOHN LLOYD

THE British Steel Corporation is likely to continue to import high quality coking coal for its new Redcar works, on Teesside, for at least two years.

The National Coal Board has made strenuous efforts over the past three months to produce a suitable substitute for the imports, but it appears that British Steel is not convinced that it would be of sufficiently high quality.

In March, British Steel signed a £14m contract for over 500,000 tonnes of medium volatile coking coal from Australia. Shortly before the election in May, the Labour Government introduced a system of licences to control coking coal imports, but the contract was not cancelled.

At the same time, the board began tests at its Lambton coke ovens in Co. Durham, aimed at producing a high quality coke suitable for Redcar. Although these tests are continuing, British Steel intends to continue its imports.

Last year, the corporation imported about 1.7m tonnes of coking coal from Australia, Poland and the U.S. The extra contracts would bring its annual level to well over 2m tonnes.

The corporation has contended that imported coke is needed because the Coal Board cannot supply sufficient amounts of the high quality 301 coking coal grade. While the Australian coal is about £10 a tonne cheaper, British Steel says the price difference is not a major factor.

Japanese experts advising British Steel are believed to have said that only the imported coke would produce steel of sufficiently high quality.

The Redcar ironmaking development, which represents a £400m investment by British Steel, is now close to commissioning. Two batteries of coke ovens, the second of which was commissioned yesterday, will feed the 10,000-tonne-a-day blastfurnace with more than 25,000 tonnes of coke a week.

Initial outputs from the coke ovens will be stockpiled in readiness for the opening of the blastfurnace.

The new coke oven battery has 66 ovens, and is identical with the No. 1 battery commissioned last May. The No. 2 battery, which will provide 85 jobs, has cost £35.7m.

Associated with the coke ovens is a by-products plant to produce tar, benzole and sulphur. The plant incorporates a waste gas cleaning system and a biological treatment unit for liquid effluents.

Weather

UK TODAY

GENERALLY cloudy with rain at times.

London, Eastern and Cent. N. England, Midlands, E. Scotland
Bright at first, becoming cloudy with rain in places. Max. 19C (66F).

Rest of England and Scotland, Wales, Channel Is, Ulster
Cloudy, rain at times. Max. 19C (66F).

Outlook: Mostly cloudy with rain in places. Some bright intervals.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	27	81	L. Plms.	S	23	73
Algiers	S	30	86	Lisbon	S	26	79
Amsdm.	R	13	55	Locarno	S	24	75
Athens	S	30	86	London	S	17	63
Bahrain	S	38	100	Luxmbg.	R	13	55
Barclna.	S	27	81	Luxor	S	40	104
Beirut	S	29	84	Madrid	S	30	86
Belfast	C	14	57	Majorca	S	30	86
Belgrd.	S	29	84	Malaga	S	26	79
Berlin	F	20	68	M'chstr	C	14	57
Biarritz	F	22	72	Melbne.	R	15	59
Bmghm.	C	14	57	Mex. C.	C	17	63
Blackpl.	C	15	59	Milan	F	27	81
Bordx.	R	19	66	Montreal.	S	16	61
Boulgn.	C	16	61	Moscow	F	19	66
Bristol	C	16	61	Munich	C	17	63
Brussels	R	13	55	Nairobi	C	19	66
Budpst.	S	26	79	Nwcstl.	C	15	59
B. Aires	S	22	71	N. York	S	25	77
Cairo	S	34	93	Nice	S	27	81
Cardiff	C	15	59	Nicosia	S	29	84
Cas'b'ca	S	24	75	Oporto	S	23	73
Cape T.	C	14	57	Oslo	C	15	59
Chicago	S	24	75	Paris	R	17	63
Cologne	R	16	61	Perth	C	14	57
Cpnhgn.	F	17	63	Prague	F	21	70
Corfu	S	29	84	Rykjvk.	S	14	57
Dublin	S	16	61	Rhodes	S	29	84
Dbrvnk.	R	26	79	Rio J'o	S	26	78
Ednbgh.	F	16	61	Rome	F	30	86
Faro	S	26	79	Salzbrg.	F	20	68
Frankft.	R	19	66	Singapr.	S	30	86
Funchal	F	23	73	Stckhm.	R	17	63
Geneva	F	22	72	Strasbg.	C	19	66
Gibrltr.	S	25	77	Sydney	S	19	66
Glasgow	C	17	63	Tangier	S	25	77
G'rnsey	S	17	63	Tehran	S	29	84
Helsinki	F	20	68	Tokyo	C	30	86
H Kong	C	27	80	Toronto	S	19	66
Innsbrk.	S	21	70	Tunis	S	34	93
Invrnss.	R	14	57	Valencia	F	29	84
I.o.Man	S	14	57	Venice	F	23	73
Jersey	F	17	63	Vienna	F	23	73
Jo'burg	S	23	73	Zurich	C	19	66

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

Cost of a North Sea guarantee

The onerous special royalty due to the Government on Tricentrol's share of Thistle field production has for too long cast a shadow over the company's prospects. It was the only company which had to turn to the Government for a loan guarantee. The one-for-four rights issue in April, raising £17.3m, was a measure of how expensive the financing deal had become—the purpose of the issue was said to be to give Tricentrol the flexibility to choose exactly when to pay off the Government guaranteed debt. Yesterday shareholders learned they would be suffering still more dilution through the placing of 4.1m more new shares (just over 8 per cent of the equity) at 210p. Yet it looks to be well worthwhile since this £8.6m issue forms part of an agreement to pay off the special royalty once and for all in cash, a total of around £20m in all.

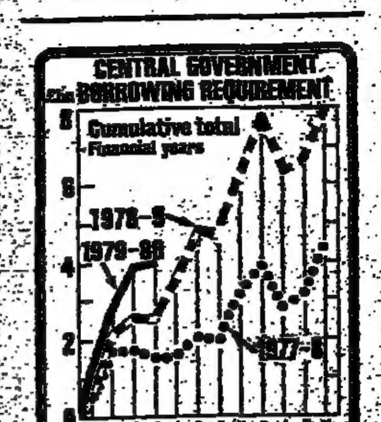
Tricentrol does not appear to have realised at the time of the rights issue that the Government was willing to be bought out in this way. Instead, it was ready for protracted negotiations on the percentage royalty which would equate to the fee for the Government guarantee on the £80m first loan facility (all but £14m of which has now been repaid, with the rest to follow by at the latest the end of next year). If the Government were to argue that the Thistle reserves were low, that the dollar oil price would be weak, and that sterling would tend to be strong—as it would be in its bargaining interests to do—Tricentrol would have felt it was being pressured into giving away too big a royalty (possibly well over the minimum 5 per cent) and the argument would probably have gone to arbitration. Once the royalty had been fixed, its level could not have been changed in the light of subsequent events.

Now the argument has been settled through a cash agreement. The Government is able to argue that it is avoiding the risks of the oil industry (and trimming the PSBR just a little). Tricentrol, for its part, is buying oil in the ground at maybe £7 a barrel (free of PRT and production costs) against a current delivered value of £11. At any rate, the new shares were snapped up at the discount of almost a tenth on the overnight price, and after wobbling the price rallied to finish 9p down on the day at 223p.

Gilt-edged

The gilt-edged market made more progress yesterday on the excitement created by the sudden disappearance of the tap

Index fell 6.3 to 467.4



stock on Wednesday, with gains of up to half a point at the long end. The stories about foreign buying are back with a vengeance, and any fund manager who is persuaded that more overseas interest, possibly sparked off by another rise in sterling, might drag yields down in an untapped market cannot afford not to be fully invested. The authorities will probably be unwilling to leave the market without a tap for very long, but to produce one this week or next could cause undue congestion in the money markets.

Some of the short-term traders who had helped buy up the end of the 2003-07 stock were taking their profits yesterday. But investors' unwillingness to be out of the market has prevented general indigestion from developing so far, even though calls of over £1.2bn are due, the BP sale might come shortly, and banks in trouble with the corset may be unloading short-dated stocks over the next week's make-up day for banking August. Brokers Fielding Newson-Smith, pointing out the intense pressures on institutional liquidity, expect the market to be technically weak throughout this month. But they are still advising their clients to remain fully invested.

Fieldings are not worried about institutional liquidity in the long run: they calculate that gilt-edged sales consistent with a 10½ per cent growth rate in sterling M3 would leave pension funds and insurance companies with cash balances about £1.5bn higher at the end of the 1979-80 financial year than at the beginning.

The assumption of money supply growth near the upper end of the official target range reflects the brokers' forecasts of £6.5bn of bank lending (against £6bn in 1978-79) and a public sector borrowing requirement that overshoots by about £0.6bn. Both figures look for a second half slowdown. Yesterday's figures for central government borrowing in July still leave the cumulative CGBR since April running distinctly on the high side, but the effects of the Budget are still to show through. The July income tax rebates will increase the August CGBR and it will not be until the third quarter that higher VAT and spending cuts start to show through.

Automotive Products

Automotive Products has managed to catch up after seeing its operations badly disrupted in the first two months of the year, and interim pre-tax profits show a small rise, to £7.9m from £7.4m. The replacement part market has picked up after a sluggish period and UK car manufacturing has had a smooth run, which has enabled AP to recover from the effects of the Ford strike. Now it is looking to recapture sales to Iran.

The company raised prices by an average 8 per cent early this year but is unlikely to move them again before 1980 although costs are increasing and strong sterling is putting its Continental European earnings under pressure. But despite slimmer margins it would be surprising if AP did not make a good £16m in the year as a whole (against £15.1m), which puts the shares up 4½p yesterday at 88½p, on a p/e of under 6¼ fully taxed. This does not look expensive especially as the interim dividend has been doubled and the final will probably be doubled too, raising the once miserable yield to a respectable 5 per cent.

GEC

Unlike last year there is no cosy two-page game of snakes and ladders for shareholders and workers to play in the employee report sent out with GEC's traditionally spartan statutory annual report and accounts. Instead employees are treated to a rather fulsome document that emphasises something called "wealth created," which seems to be the same as added value.

Profits are mentioned in the divisional breakdown but this seems rather inconsistent and one wonders why GEC did not try to estimate the wealth created by each of its main businesses instead. As to the future, GEC says remarkably little save that its achievements will be "no less impressive" than those of the past decade. That is quite a boast.

Continued from Page 1

Germany

the Government's view that a cut in state indebtedness must take precedence over tax benefits.

In an interview, Dr. Emminger said that additional Government revenue created through the current economic upswing should first be used to cut public sector borrowing. This in itself would help sustain the upswing by reducing the threat of a collision between the public and private sectors' needs on the capital market.

This danger is revealed in the Bundesbank report for August published today. It shows that in the first seven months of this year the cash deficit of the Federal Government totalled some DM17bn (£4.2bn)—DM4bn higher than the sum for the same period of 1978 and roughly equal to the deficit so far expected for the year as a whole.

Continued from Page 1

Tricentrol buys out deal

value of the special royalty to which the Government is entitled."

At the end of July the Government had earned the right to some £17.5m in royalties.

It was also pointed out in Whitehall that the Government had the benefit of taking the cash at today's money values. The risk element had also been removed, for the Government could have received much less than £20m if production from Thistle turned sour or if areas one and six were not developed.

Tricentrol believes it will benefit in the long run. It reckons it could have paid at least £30m and probably much more. The company said it had effectively acquired additional reserves of oil amounting to 2m to 3m barrels over the life of the field.

On this basis the company has paid between £6.60 to £10 per barrel for the oil which is now valued at between £10 and £11 per barrel. It is almost certain, in the light of OPEC aspirations, that the price of oil will continue to increase in real terms.

Drilling

For Tricentrol much will depend on whether or not areas one and six are developed. Drilling has already begun on area one and it is possible that this well, and a planned second well, will be used to exploit the reservoir.

If the operation is successful, oil from area one will be fed via sub-sea production systems to the main production platforms on the Thistle Field.

Tricentrol has a 9.65 per cent stake in Thistle, which has some 500m barrels of recoverable reserves, and a 10 per cent interest in areas one and six which could have a further 100m barrels of recoverable oil.

The company will not be paying the Government in one lump sum. Instead it will make a first payment of £8.5m on Monday through the issue of 4,126,214 ordinary shares to the Government. These shares are being placed in the market by Morgan Grenfell and de Zoete & Bevan.

The second instalment of £9m will be paid in cash on August 31. A third instalment of £1m or less will be paid on September 1, 1980 while the final payment, calculated when the guarantee is discharged, will be made probably at the end of 1980. This last payment is not expected to amount to more than about £1.5m.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.

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